DOCUMENT RESUME

ED 130 719 JC 760 600

AUTHOR	Overton, R. Jean
TITLE	Real Estate Education: A Curriculum Guide for a Two-year Post Secondary Program.
INSTITUTION	North Carolina State Dept. of Community Colleges, Raleigh.
NOTE	376p.; Not available in hard copy due to small print in parts of original
EDRS PRICE	MF-$0.83 Plus Postage. HC Not Available from EDRS.
DESCRIPTORS	Associate Degrees; Community Colleges; *Course Content; *Course Objectives; *Curriculum Guides; *Junior Colleges; *Real Estate; Real Estate Occupations; State Curriculum Guides

ABSTRACT

This curriculum guide was designed to assist in the development of associate degree programs and/or options for real estate education in North Carolina community colleges. The real estate education program prescribed by this guide spans six academic quarters. The 28 courses listed cover such subject areas as real estate fundamentals, human relations, real estate law, architectural materials and methods, sales and brokerage, marketing, business communication, appraisal, investment and taxation, land use policy and government influence on real estate, and business management. Each course in the curriculum is both outlined and presented in detail, to include: the course description, class and laboratory hours per week, quarter hours credit, prerequisites, major divisions of course content, course objectives, suggested textbooks, and mode of evaluation. A detailed list of course objectives follows: for each objective, a content outline, suggested activity experiences (including readings), and evaluation criteria are given. General bibliographies are included for each course. Staffing and facility requirements, and other considerations in program development are discussed in concluding chapters. Overall, the curriculum is designed to meet the licensing requirements prescribed by the North Carolina Real Estate Licensing Law. (JDS)

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REAL ESTATE EDUCATION

A Curriculum Guide
for a
Two-Year Post Secondary Program

Coordinated by
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Raleigh, North Carolina

JC 760 600

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APPROVAL OF REAL ESTATE PROGRAM FOR LICENSING EXAMINATION

The curriculum guide for post-secondary real estate education was designed for a two-year program. The individual planning to work in the real estate industry must be licensed as a real estate salesman or broker. In order to qualify for the licensing examination, he/she must meet the North Carolina Real Estate Licensing Board's requirements for education and/or experience. Educational programs designed to meet the licensing requirements must be approved by the North Carolina Real Estate Licensing Board.

The current law and guidelines for approval by the Board are included herewith:

Section 93A-4 (a) of the North Carolina Real Estate Licensing Law requires the following real estate education or experience for applicants to qualify for a real estate license:

> Each applicant for a license as a real estate broker shall have been actively engaged as a licensed real estate salesman in this State for at least 12 months prior to making application for a license as a real estate broker, or shall furnish evidence satisfactory to the Board of experience in real estate transactions which the Board shall find equivalent to such 12 months experience as a licensed real estate salesman, or shall furnish evidence satisfactory to the Board of completion of 30 classroom hours of such courses of education in real estate subjects at a school approved by the Board as the Board shall by regulation prescribe.
>
> Each applicant for a license as a real estate salesman shall furnish evidence satisfactory to the Board of completion of 30 classroom hours of such courses of education in real estate subjects at a school approved by the Board as the Board shall by regulation prescribe or shall furnish evidence satisfactory to the Board of experience in real estate transactions which the Board shall find equivalent to such real estate education.

In accordance with the authority granted the Licensing Board by the above statute to prescribe regulations for the approval of real estate schools, the Board has adopted the following regulations effective January 1, 1975:

1. In order to qualify for approval, real estate courses shall consist of a minimum of 30 classroom hours covering the following real estate subjects:

    a. LICENSING REGULATION

        N. C. Real Estate Licensing Law
        Rules and Regulations of Licensing Board

    b. GLOSSARY

        Real estate definitions, words and phrases

    c. REAL ESTATE OWNERSHIP

        Types of property (real, personal, fixtures)
        Titles (estates)
        Transfer of title (deeds)
        Title insurance
        Property descriptions (measurements, metes and bounds, plats)
        The Condominium
        Zoning

    d. REAL ESTATE CONTRACTS

        Contracts in general
        Statute of frauds
        Listing agreements
        Offers to purchase (escrow deposits)
        Options
        Land installment contracts
        Leases

    e. LAW OF AGENCY

        Principles of agency
        Brokers and salesmen as agents
        Duties of agent to principal
        Duties of principal to agent
        Law against discrimination
        Real estate management

f. REAL ESTATE FINANCING

Money market
Government role in financing (FHA, VA)
Mortgages / Deeds of trust
Appraising and valuation

g. REAL ESTATE CLOSING

The closing in general
Closing documents
Prorations, taxes, insurance
Liens and encumbrances
Hypothetical real estate closing
Closing statements

h. REAL ESTATE MATHEMATICS

Prorations
Tax rate
Area
Commission
Capitalization
Discount
Depreciation
Interest
Transfer tax

2. Schools seeking approval of their course shall file an application on the official stationary of the school. The application shall include the following information:

   a. The name and address of the school.
   b. Location where classes will be held.
   c. Dates course begins and ends.
   d. Number of classroom hours and subjects covered in the course.
   e. Names of textbooks used in the course.

3. Schools approved by the Licensing Board shall furnish each student who successfully completes their course an official certification containing the student's name, address, date course was completed and number of classroom hours completed. Students shall be advised by the school that said certificate is to be filed by the student with his application to the Licensing Board for license.

The above regulations shall apply to all real estate courses convening after January 1, 1975, including courses offered in schools previously approved by the Licensing Board.

The two courses - Fundamentals of Real Estate I and II - were designed for a two-year real estate program and may need to be adjusted and/or modified to meet the requirements of the North Carolina Real Estate Licensing Board.

TO: North Carolina Real Estate Licensing Board
813 BB&T Building
P. O. Box 266
Raleigh, NC 27602

THIS WILL CERTIFY THAT ______________________________

has successfully completed the course in Fundamentals of Real Estate,

consisting of ____ hours of training and instruction in ______________,

N. C., from ____________________ to ________________________.

____
Instructor's Signature

____
Institution

FOREWORD

Real Estate Education: A Curriculum Guide for a Two-Year Post Secondary Program was designed as a guide for developing associate degree programs and/or options for real estate education in the North Carolina Community College System. Through the use of this manual and assistance from a local advisory committee, effective programs can be planned and developed which will in turn provide qualified personnel for the real estate industry.

Roger G. Worthington
Roger G. Worthington, Director
Program Development Division

Ben E. Fountain, Jr.
Ben E. Fountain, Jr., State President
Department of Community Colleges

PREFACE

Real estate is a major business activity in North Carolina. Through the combined efforts of professional and trade associations, legislation, and the state licensing board the practice of real estate has been raised to a professional level.

With this support and with adequate demand in this area it then seems feasible that the Community Collgge System can and should cooperate in an effort to further raise the standards of real estate practice by teaching at a post-secondary level that which is helpful in its better practice.

Through the support and assistance of the North Carolina Real Estate Licensing Board, the North Carolina Association of REALTORS, Inc., and the North Carolina Real Estate Educational Foundation, Inc., the Community College System can now offer a two-year Associate in Applied Science - Real Estate Degree.

ACKNOWLEDGEMENTS

Many individuals have contributed to the completion of this publication. Their assistance and cooperation are appreciated.

Appreciation is especially extended to the North Carolina Real Estate Licensing Board, the North Carolina Association of REALTORS, Inc. and the North Carolina Real Estate Educational Foundation, Inc. for their full support during the process of studying the need for a two-year real estate program and during the development of the program.

Special appreciation and thanks are extended to the developers and writers of the course outlines in real estate:

William A. Bullard
O. J. Clontz, Jr.
Phillip W. Ford
Kenneth H. Kerr
Thomas Lambe
H. M. McCown
Jack McMillan
Hal McNeely
B. C. Parker
Stafford R. Peebles, Jr.
Rick Pindell
Gene White
Herman Wolff, Jr.

Special appreciation and thanks are also extended to the business educators and English educators who, as a result of this manual, developed new outlines for the Division:

ENGLISH
Pattie Banks
Charlotte O. Hallberg
Sara Montgomery
Howard C. Parker
Sharon J. Stover

BUSINESS
Joyce Cherry
Edith Dail
Dr. George B. Flannigan
Larry Hollar
Dr. Joseph Johnson
Benjamin Leith, Jr.
Larry Talton
Jake Tedder

Acknowledgement is extended to the members of the State Real Estate Advisory Committee for their suggestions and assistance, and to Mr. Roger Worthington for his interest and support in this project.

Appreciation and thanks are extended to the local real estate boards and advisory committees who have assisted Catawba Valley Technical Institute, Central Carolina Technical Institute, Fayetteville Technical Institute and Forsyth Technical Institute in developing, approving and/or supporting the real estate program for their community.

A special thank you to Miss Brenda Splawn and Barbara Robbins Greess for their patience and understanding while typing the materials for this manual and providing assistance in decision making and other matters.

Acknowledgement also to Mrs. Debbie Ray and Miss Debbie Duke for typing rough draft outlines and other materials and to Mrs. Judy Horne Liggins who assisted in the early steps of this project with advising, committee meetings and typing materials.

Special recognition and thanks are extended to William F. Pugh, Artist Illustrator, for designing the cover for this publication.

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FIRST QUARTER

Syllabus for Fundamentals of Real Estate I . . . . . BUS 162
Introduction to Business . . . . BUS 101
Business Mathematics . . . . BUS 109
Economics I . . . . ECO 102
Grammar . . . . ENG 101

SECOND QUARTER

Syllabus for Fundamentals of Real Estate II . . . . . BUS 163
Syllabus for Human Relations - Real Estate . . . . . PSY 214
Accounting I . . . . BUS 120
Economics II . . . . ECO 104
Composition . . . . ENG 102

THIRD QUARTER

Syllabus for Real Estate Law . . . . BUS 164
Syllabus for Architectural Materials and Methods I . . . . . . CIV 105
Accounting II . . . . BUS 121
Oral Communication . . . . ENG 204

FOURTH QUARTER

Syllabus for Real Estate Finance . . . . BUS 209
Syllabus for Real Estate Sales and Brokerage . . . . BUS 216
Syllabus for Appraisal I . . . . BUS 292
Introduction to Marketing . . . . BUS 239
Business Communication . . . . ENG 206

FIFTH QUARTER

Syllabus for Real Estate Investment and Taxation . . . . BUS 221
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Business Insurance . . . . BUS 247

SIXTH QUARTER

Syllabus for Land Use Policy and Governmental Influence on Real Estate . . . . BUS 228
Syllabus for Real Estate Merchandising . . . . BUS 231
Syllabus for Appraisal III . . . . BUS 294
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*Each course outline and abstract will begin with page 1. Each page will be identified with an Arabic number in lower center and course number in lower right-hand corner.

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CHAPTER I

INTRODUCTION

Real Estate Education in the North Carolina Community College System

In 1967 the North Carolina Community College System, the North Carolina Real Estate Licensing Board, the North Carolina Association of REALTORS, Inc., and the North Carolina Real Estate Educational Foundation, Inc. developed and approved a course entitled "Fundamentals of Real Estate". Prior to this time, North Carolina REALTORS had also been asking the Community College System for assistance in providing educational opportunities for persons employed in the real estate industry.

Since approval of the real estate course by the North Carolina Real Estate Licensing Board on August 25, 1967, 74 percent of the fifty-seven institutions in the Community College System have offered the course. Enrollment in "Fundamentals of Real Estate" has increased from 268 students in 1967 to 2,980 students in 1973. Since 1967, a total of 8,720 people from various occupations have enrolled in the real estate course. Persons completing the course have applied for the licensure examination, passed the examination and have either become real estate salesmen, brokers, or REALTORS, or have used information from the course to purchase property or invest, i.e., for general information pertaining to real estate.

In October, 1968, Central Piedmont Community College, through its continuing education division, offered its first course in "Fundamentals of Real Estate". The enrollment of 100 students in the first class resulted in the transfer of the real estate course from extension to the Business Administration Department as a curriculum course. Since January, 1969, Central Piedmont has been offering an Associate in Applied Science in Business Administration with a Real Estate option.[1]

The large enrollment in "Fundamentals of Real Estate" can be attributed primarily to four reasons: (1) the rapid growth of the real estate industry, (2) the convenience of the community colleges and technical institutes for individuals, (3) the desire for the layman to learn more about the real estate industry, not to prepare for the industry but to prepare for personal business and knowledge, and (4) the desire for persons in the real estate industry to upgrade their knowledge and skills.

Presently, the "Fundamentals of Real Estate" course meets the minimum requirements of the North Carolina Real Estate Licensing Board for admission to the salesman's or broker's license examination. Section 93A-4(a) of the North Carolina Real Estate Licensing Law requires the following real estate education or experience for applicants to qualify for real estate license:

> Each applicant for a license as a real estate broker shall have been actively engaged as a licensed real estate salesman in this State for at least 12 months prior to making application for a license as a real estate broker, or shall furnish evidence satisfactory to the Board of experience in real estate transactions which the Board shall find equivalent to such 12 months experience as a licensed real estate salesman, or shall furnish evidence satisfactory to the Board of completion of 30 classroom hours of such courses of education in real estate subjects at a school approved by the Board as the Board shall by regulation prescribe.

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[1] Central Piedmont Community College. Personal correspondence between Lois Dixon, Chairman, Business Administration Department, and the writer. February 19, 1974.

> Each applicant for a license as a real estate salesman shall furnish evidence satisfactory to the Board of completion of 30 classroom hours of such courses of education in real estate subjects at a school approved by the Board as the Board shall by regulation prescribe or shall furnish evidence satisfactory to the Board of experience in real estate transactions which the Board shall find equivalent to such real estate education.[2]

The North Carolina Real Estate Licensing Board, the North Carolina Association of REALTORS, Inc., and the North Carolina Real Estate Educational Foundation, Inc. are interested in increasing the minimum requirements for admission to the salesman's and broker's license examinations. The growth and expansion of the real estate industry into a total service industry of sales, development and property management has created a demand for "increasing the level of technical competence of REALTORS, assuring high standards of ethical practice and expanding the stock of knowledge available about real estate".[3]

DEFINITION OF TERMS

For the purpose of clarifying the meanings of specific terms in this manual, the following words are defined:

Community college is an educational institution dedicated primarily to the educational needs of the particular area for which established, and (a) which offers the freshman and sophomore courses of a college of arts and sciences, (b) which may offer organized curricula for the training of technicians, (c) which may offer vocational, trade, and technical specialty courses and programs, and (d) which may offer courses in general adult education.[4]

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[2] North Carolina Real Estate Licensing Laws, Chapter 744 of the 1957 Session Laws, North Carolina Real Estate Licensing Board. (May 1, 1974), pp. 5-6.

[3] Robert O. Harvey. "Reports and Recommendations to the Executive Committee, National Association of Real Estate Boards." November 15, 1970 (Mimeographed), p. 1.

Contact hour is one hour of instruction per student and teacher in a classroom, laboratory or shop.[5]

Continuing education consists of any instructional activities in which a person participates after completing a formal education, i.e., high school, undergraduate, or graduate.

Cooperative education is a work-study plan in which a student alternates between periods of instruction in the classroom and work experience with a cooperating employer.

Credit hour is one hour of classroom work, or two hours of laboratory work, or three hours of shop work per week for one quarter (11 weeks).[6]

The North Carolina Association of REALTORS, Inc. is the statewide organization of approximately 5,000 members of the real estate trade association known as the national REALTORS, state board, and local board.

The North Carolina Real Estate Educational Foundation, Inc. is the foundation designed to promote study and research in real estate, to provide continuing educational opportunities for REALTORS and other persons employed in the real estate industry, to promote suitable standards and ethics in the industry, to publish and disseminate information pertinent to real estate and to maintain a library and research center.[7]

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[4] Public School Laws of North Carolina: Community Colleges, Technical Institutes, and Industrial Education Centers, Chapter 115-2, General Statutes (1969), p. 2.

[5] Department of Community Colleges. "North Carolina Community College System Terms and Definitions." Administrative Memorandum No. 1-2, July 19, 1968 (Mimeographed), p. 4.

[6] Ibid.

[7] Abstracted from By-Laws of North Carolina Real Estate Educational Foundation, Inc., Article I, Purposes.

The North Carolina Real Estate Licensing Board is the Board organized for the purpose of issuing licenses to real estate brokers and real estate salesmen and has the "power to make such bylaws, rules and regulations as it shall deem best, that are not inconsistent with the provisions of this chapter 774 and the laws of North Carolina".[8]

Real estate broker is any person, partnership, association, or corporation, who for a compensation or valuable consideration or promise thereof lists or offers to list, sells or offers to sell, buys or offers to buy, auctions or offers to auction . . . or negotiates the purchase or sale or exchange of real estate, or who leases or offers to lease, or who sells or offers to sell leases of whatever character, or rents or offers to rent any real estate or the improvement thereon, for others.[9]

Real estate salesman is any person who under the supervision of a real estate broker, for a compensation or valuable consideration is associated with or engaged by or on behalf of a licensed real estate broker to do, perform or deal in any act, acts or transactions set out or comprehended by the foregoing definition of a real estate broker.[10]

REALTOR is a copyrighted term which can be used only by active members of the real estate industry's trade associations -- National Association of REALTORS (NAR), North Carolina Association of REALTORS, Inc. (NCAR) and the community's local board of REALTORS.

Technical institute is an educational institution dedicated primarily to the education needs of the particular area for which established, and (a) which offers organized curricula for the training of technicians,

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[8] North Carolina Real Estate Licensing Law, op. cit., p. 3.

[9] Ibid., p. 2.

[10] Ibid.

(b) which may offer vocation, trade, and technical specialty courses and programs and (c) which may offer courses in general adult education.[11]

ADVISORY COMMITTEE

The success of community college or technical institute programs in real estate depends significantly on the support of advisory committees. Therefore, when a community college or technical institute considers the possibility of initiating a real estate program, the chief administrator or dean should appoint the advisory committee to assist in its development.[12]

The committee should consist of persons and/or groups in the real estate industry, on the local board of REALTORS, on the state board of REALTORS, educators in real estate, and educators in the business and law fields.

The real estate advisory committee will not only provide support for the real estate program but should be able to provide useful assistance and information to business department chairmen concerning curriculum, equipment and facilities, and job opportunities. The committee could also provide assistance in the selection of students and instructors. The committee should act in a consultative capacity and should be responsible for making recommendations and suggestions to the individual(s) within the institution who can act upon the advice offered. (The North Carolina Department of Community Colleges, Occupational Education Division, has a publication, Organization, Function and Operation of Advisory Groups, which gives detailed suggestions for the organization, function and operation of advisory committees.)

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[11] Public School Laws, op. cit.

[12] Albert J. Rindeau. The Role of the Advisory Committee in Occupational Education in the Junior College. Washington: American Association of Junior Colleges, 1967.

OBJECTIVES AND PROCEDURES

The North Carolina Community College System planned to assist the real estate industry in its request for additional educational opportunities through the following objectives:

1. To develop a systematic program for collecting information to support and justify educational needs for the real estate industry.
2. To develop a comprehensive program to meet the educational needs for individuals planning to enter the real estate industry.
3. To develop a comprehensive program to meet the continuing educational needs for individuals employed in the real estate industry.
4. To develop a comprehensive program which will expand the repertoire of knowledge available about real estate.
5. To prepare educational materials to support real estate programs in the community college syttem.
6. To implement real estate education in the community college system.

Development of real estate education in the community college system will be completed in five phases through the cooperative effort of the North Carolina Real Estate Licensing Board, the North Carolina Association of REALTORS, Inc., the North Carolina Real Estate Educational Foundation, Inc., four institutions in the community college system and the Instructional Laboratory, North Carolina Department of Community Colleges. (See Appendix A for names of participants.)

Phase I: A survey of community colleges and technical institutes to determine the interest in and need for real estate education in the North Carolina Community College System. A survey of North Carolina REALTORS to determine their interest in and the need for an Associate Degree in Applied Science in Real Estate. Other factors considered were the real estate licensing requirements and real estate educational opportunities in North Carolina versus other states.

Phase II: A review of the "Fundamentals of Real Estate" course presently offered to determine if changes are needed to meet the minimum requirements for application to the North Carolina Real Estate Licensing Board.

A review of the Business Administration program offered in the community college system to determine what changes would be necessary to offer an option in real estate.

A review of real estate curriculum from other states and discussion with the North Carolina Licensing Board and REALTORS to determine the courses needed for a real estate curriculum leading to an Associate in Applied Science Degree.

Requests to publishers for educational materials in real estate that can be used in developing courses and course outlines in real estate and related courses.

Phase III: Development of a real estate manual which will include the following chapters:

Chapter I	Introduction
Chapter II	The Curriculum
Chapter III	Faculty and Staff Selection
Chapter IV	Facilities, Equipment, and Instructional Aids
Chapter V	Federal, State, and Local Laws and Regulations

Phase IV: Implementation of the real estate program in the community college and technical institute may consist of three approaches:

1. Associate in Applied Science Degree
2. Option in Business Administration Program
3. Courses on a continuing education basis for individuals wanting to fulfill professional or general interest needs.

Phase V: Evaluation of the implemented programs should be as follows:

1. Evaluation of the *associate degree* with real estate graduates, instructors and employers of these graduates through utilization of questionnaires and/or interview schedules.
2. Evaluation of the *option* with business administration graduates, instructors, and employers of these graduates through utilization of questionnaires and/or interview schedules.
3. Evaluation of the *real estate* courses with graduates, instructors, and the North Carolina Real Estate Licensing Board through utilization of questionnaires and/or interview schedules.

Adjustments in the real estate program and real estate courses will be made based on recommendations from graduates, instructors, businessmen, REALTORS, the North Carolina Real Estate Licensing Board, the North Carolina Association of REALTORS, Inc., and the North Carolina Real Estate Educational

Foundation, Inc.

REAL ESTATE PROGRAM

North Carolina Requirements

North Carolina law requires a minimum of 30 contact hours in "Fundamentals of Real Estate" to qualify an individual for the salesman's or broker's license examinations and specifies certain areas of study to be included in the approved real estate course.* (The Real Estate Licensing Examination requirements are shown in Appendix B.)

Based on these requirements and recommendations from the North Carolina Association of REALTORS, Inc., and the North Carolina Real Estate Educational Foundation, Inc., the community college system offers the student three options:

1. Real Estate Associate in Applied Science
2. Business Administration - Real Estate Option - Associate in Applied Science
3. Course(s) on a continuing education basis for individuals wanting to fulfill professional or general interest needs.

Real Estate - Associate in Applied Science. An associate in applied science degree in real estate is the degree granted to the individual who successfully completes the two-year real estate curriculum.

Business Administration - Real Estate Option - Associate in Applied Science. An associate in applied science degree in business administration with a real estate option is the degree granted to the individual who successfully completes the two-year business administration curriculum, but has received course work in real estate.

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*The North Carolina Real Estate Licensing law is subject to change.

Course on a Continuing Education Basis. Certificates may or may not be awarded to the individual completing a course(s) in real estate provided through the continuing education department or extension department or extension division of the community college or technical institute. Individuals enter a course(s) in real estate for retraining, upgrading, or personal interest purposes.

Employment Opportunities

The two-year program will provide opportunity for an individual's entry into an array of real estate jobs. Entry-level public or private employment opportunities are available in such areas as: sales, finance, development, market analysis, valuation, and property management. Advanced real estate opportuntities offer employment in such areas as brokerage, management, appraising or consulting.

The real estate curriculum will provide an indepth study of various aspects of the real estate industry. Real estate courses will provide study in such areas as urban and suburban problems, regional development, real estate brokerage, real estate markets, investment, valuation analysis and the management of capital formation. Business and related courses will focus on work in accounting, marketing, communications, insurance, management, economics, production and finance. (Appendix C describes employment opportunities in real estate.)

ORGANIZATION OF THE MANUAL

A suggested two-year curriculum for real estate, course descriptions and course outlines and abstracts are presented in Chapter II.

In Chapter III recommendations for qualified faculty and staff are discussed.

Suggestions for facilities, equipment and instructional aids needed to implement a real estate program are presented in Chapter IV.

Chapter V is devoted to federal, state, and local laws regulating the real estate industry.

The manual is concluded with a selected bibliography and appendices.

CHAPTER II

REAL ESTATE CURRICULUM

On March 14, 1974, the real estate curriculum in this chapter was approved by the North Carolina Department of Community Colleges' Real Estate Advisory Committee, which consisted of representatives from the North Carolina Real Estate Licensing Board, the North Carolina Association of REALTORS, Inc., the North Carolina Real Estate Educational Foundation, Inc., North Carolina community colleges and technical institutes, and business and educators from the finance and law fields. (See Appendix A for names of participants.)

The course outlines shown in this section describe information that REALTORS and other businessmen and educators suggested as concepts and materials that should be included and discussed in each real estate course offered during a quarter.

The first part of this chapter describes the purposes and need for a two-year real estate program followed by a quarter-by-quarter listing of the courses recommended by the Real Estate Advisory Committee. A short description of each course (by quarter) in the curriculum follows.

Only the outlines related specifically to the real estate field are included in this chapter (by quarters). However, abstracts of related and required courses are included. The bibliography in each outline is divided into four sections: books, periodicals, audiovisual aids and other sources. (Additional space provides for the instructor's notations on other materials.) If a particular textbook was recommended, this book is the first entry under books.

INTRODUCTION

Real estate is a major business activity in North Carolina. The real estate industry is much broader and more complex than is commonly realized. Real estate not only consists of interest in houses and land which encompasses providing services for people in finding satisfactory homes and for business and industry in finding profitable locations, but also includes creative planning and enterprising in the development of the highest and best use of land and buildings. Other aspects of the industry include finding capital for construction or rehabilitation and the appraising and management of real property.

To meet the growing housing demands of the population and expansion and construction demands of business and industry, trained men and women are needed to assist in locating families, locating factories and offices, financing the vast changes taking place today, managing commercial and apartment buildings and appraising real property. The man or woman entering the real estate business will be involved in an industry embracing a wide variety of fundamental services. The real estate industry offers an opportunity for personal achievement as well as the knowledge of doing work of the highest importance in the community.

PURPOSE OF CURRICULUM

The purposes of the real estate curriculum are threefold:

1. To prepare the individual to enter the real estate industry
2. To provide an educational program for persons directly involved in various phases of the real estate industry.
3. To provide an opportunity for individuals wanting to fulfill professional or general interest needs.

These purposes will be fulfilled through a thorough introduction to real estate principles, practices, industry ethics, finance, law, appraisal techniques, and trends. In essence, the primary objective will be to prepare the individual to enter the real estate industry.

CAREER OPPORTUNITIES

The two-year program will provide opportunity for an individual's entry into an array of real estate jobs. Entry-level public or private employment opportunities are available in such areas as: sales, finance, development, market analysis, valuation and property management. Advanced real estate opportunities offer employment in areas such as brokerage, management, appraising or consulting.

The real estate curriculum will provide an indepth study of various aspects of the real estate industry. Real estate courses will provide study in such areas as urban and suburban problems, regional development, real estate brokerage, real estate markets, investment, valuation analysis and the management of capital formation. Business and related courses will focus on work in accounting, marketing, communications, insurance, management, economics, production and finance.

SUGGESTED CURRICULUM BY QUARTERS

Course Title		Hours Per Week		Quarter Hours
FIRST QUARTER		Class	Lab	Credit
T-BUS 162	Fundamentals of Real Estate I	3	0	3
T-BUS 101	Introduction to Business	3	2	4
T-BUS 109	Business Mathematics	5	0	5
T-ECO 102	Economics I	3	0	3
T-ENG 101	Grammar	3	0	3
		17	2	18
SECOND QUARTER				
T-BUS 163	Fundamentals of Real Estate II	3	0	3
T-PSY 214	Human Relations - Real Estate*	3	0	3
T-BUS 120	Accounting I	3	2	4
T-ECO 104	Economics II	3	0	3
T-ENG 102	Composition	3	0	3
		15	2	16
THIRD QUARTER				
T-BUS 164	Real Estate Law	5	0	5
T-CIV 105	Architectural Materials and Methods I	3	3	4
T-BUS 121	Accounting II	3	2	4
T-ENG 204	Oral Communication	3	0	3
		14	5	16
FOURTH QUARTER				
T-BUS 209	Real Estate Finance	5	0	5
T-BUS 216	Real Estate Sales and Brokerage	3	0	3
T-BUS 292	Appraisal I	3	0	3
T-BUS 239	Introduction to Marketing	3	0	3
T-ENG 206	Business Communication	3	0	3
		17	0	17
FIFTH QUARTER				
T-BUS 221	Real Estate Investments and Taxation	3	0	3
T-BUS 226	Land Development	3	2	4
T-BUS 293	Appraisal II	2	3	4
T-BUS 296	Property Management	3	0	3
T-BUS 247	Business Insurance	3	0	3
________	Social Science Elective**	3	0	3
		17	5	20

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*Recommend any course(s) in Psychology.

**Refer to electives listed on page

Course Title		Hours Per Week Class	Lab	Quarter Hours Credit
SIXTH QUARTER				
T-BUS 228	Land Use Policy and Governmental Influence on Real Estate	3	2	4
T-BUS 231	Real Estate Merchandising	3	0	3
T-BUS 294	Appraisal III	2	3	4
T-BUS 235	Business Management	3	0	3
________	Social Science Elective*	3	0	3
		14	5	17
	Total Quarter Hours in Courses			98
	Electives			6
	TOTAL			104

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*Refer to electives listed on page

COURSE DESCRIPTIONS BY QUARTERS

	Hours Per Week		Quarter Hours
FIRST QUARTER	Class	Lab	Credit
T-BUS 162 Fundamentals of Real Estate I	3	0	3
This introductory course is one of two courses designed to introduce students to the real estate industry. Fundamental principles and theories of real estate are covered including terminology, North Carolina's Licensing Law, ethics, and organizational structure.			
T-BUS 101 Introduction to Business	3	2	4
A survey of the business world that introduces the student to the history of United States business, organization and administration, production, accounting, statistics, management, marketing, finance, and business law.			
T-BUS 109 Business Mathematics	5	0	5
This course was designed to provide a review of the fundamentals of arithmetic and their practical application to business problems in the processes of trading, operating, ownership, financing, investing, summarizing and analyzing. Topics covered include cash and trade discounts, markup, interest, taxes and pertinent uses of mathematics in business and industry.			
T-ECO 102 Economics I	3	0	3
This course is specifically designed to create an awareness of the economic decisions that are made daily by individuals and groups in society. Emphasis is primarily on general economics for citizenship; and generally on politics, history, sociology, etc. The course provides a foundation for further study in economics but is also designed for the student who may not have another economics course.			
T-ENG 101 Grammar	3	0	3
Designed to aid the student in the improvement of self-expression through writing. Emphasis is on grammar, diction, sentence structure, punctuation, and spelling. It is intended to stimulate students in applying the basic principles of English grammar in their day-to-day situations in industry and social life.			
SECOND QUARTER			
T-BUS 163 Fundamentals of Real Estate II	3	0	3
This introductory course is a continuation of T-BUS 162, Fundamentals of Real Estate I. Theory and practice of real estate are covered including vocational opportunities in real estate, fundamental operation of real estate and the qualities leading to success in the industry.			

SECOND QUARTER - continued	Hours Per Week Class	Hours Per Week Lab	Quarter Hours Credit
T-PSY 214 Human Relations - Real Estate	3	0	3

A study of the techniques needed to develop a personal capacity for influencing others, setting goals and making decisions. The means for developing and assessing leadership styles, a study of human behavior and an analysis of factors involved in making persons take action are also studied.

T-BUS 120 Accounting I	3	2	4

A beginning course in the basic principles and concepts of accounting. Emphasis is on business transactions and their effect on the accounting equation; debits and credits in double-entry accounting; selecting and recording financial data in journals and ledgers; preparing work sheets; balance sheets and income statements; and introduction to the basic concepts of internal control.

T-ECO 104 Economics II	3	0	3

Greater depth in principles of economics, including a penetration into the composition and pricing of national output, distribution of income, international trade and finance, and current economic problems.

T-ENG 102 Composition	3	0	3

English Composition is designed to aid the student in improvement of self-expression by means of practical application in business and technical writing. Emphasis is on writing sentences, paragraphs and compositions.

THIRD QUARTER

T-BUS 164 Real Estate Law	5	0	5

A survey course of real estate law including legal aspects of the sale, purchase, and management of real property. Special emphasis is placed on the legal steps required to handle a real estate transaction from the preparation of the listing contract to the closing of the sale.

T-CIV 105 Architectural Materials and Methods I	3	3	4

General broad base study of basic materials and methods used in the construction of architectural structures will be studied. Field trips to construction sites and study of light construction and construction techniques are included.

T-BUS 121 Accounting II	3	2	4

A second course in the basic principles and concepts of accounting. Emphasis is on determining merchandise inventory, identifying inventory systems, adjusting for deferrals and accruals, accounting for property taxes and operating a payroll system.

THIRD QUARTER - continued	Hours Per Week Class	Lab	Quarter Hours Credit
T-ENG 204 Oral Communication	3	0	3

The principles, techniques, and practical applications of communicating the thoughts and personality through the voice and visible action of the individual to one or more persons for the purpose of achieving a previously determined response. Areas covered vary according to class needs, but, in general, include: basic concepts, nonverbal and verbal language, vocal usage, speech preparation (analyzing audience and occasion, determining purpose, selecting and narrowing subject, gathering and organizing material, wording, and practicing aloud), and effective listening.

FOURTH QUARTER

Course	Class	Lab	Credit
T-BUS 209 Real Estate Finance	5	0	5

A study of real estate finance including an analysis of financial techniques and instruments necessary in real estate financing. Topics include the structure of the mortgage market, the sources of funds, types of mortgages, role of government agencies, interest rates, loan origination and servicing, and competition in the money market.

Course	Class	Lab	Credit
T-BUS 216 Real Estate Sales and Brokerage	3	0	3

A study of the current sales techniques in the real estate industry, including problems in selling as well as emphasis on consumer motivation and reactions. Particular emphasis is placed on morals and ethics related to the sale of real property. Other topics include the methods of securing property listings and prospective customers, bringing the prospect and property together, the use of advertising in the selling function, the basic development of a sales plan and sales presentation.

Course	Class	Lab	Credit
T-BUS 292 Appraisal I	3	0	3

A study of the principles and theory of appraising real property. Topics selected include site evaluation, building materials and components, methods of appraising property, and professional organizations.

Course	Class	Lab	Credit
T-BUS 239 Introduction to Marketing	3	0	3

A general survey of the field of marketing with a detailed study of the functions, policies, and institutions involved in the marketing process.

Course	Class	Lab	Credit
T-ENG 206 Business Communication	3	0	3

The course is designed to develop skill in writing business communication. Emphasis is placed on the types of business communication - response and reply letters, sales letters, credit letters, application letters, interoffice memorandums, minutes of meetings, etc. - used in business and industry.

	Hours Per Week		Quarter Hours
FIFTH QUARTER	Class	Lab	Credit
T-BUS 221 Real Estate Investment and Taxation A study of fundamental investment concepts, timing and methods of financing, designed to provide the prospective investor with a guide to successful real estate investment. Emphasis will be placed on investment during the development process, what to buy and how to buy. Other topics to be discussed are how to take title, when to invest in real estate corporations and trusts, tax consequences and the influence of federal and state laws on real estate investments.	3	0	3
T-BUS 226 Land Development A study of the land and population economics of land utilization and the development factors related to manufacturing, labor, transportation and commerce in or near the development location.	3	2	4
T-BUS 293 Appraisal II A study of the methods and techniques used in estimating the value of residential properties and in preparing a residential appraisal report. Topics include analysis of economical factors affecting the value of real estate, local, state, federal and neighborhood influences and attitudes, economical factors and estimation of value.	2	3	4
T-BUS 296 Property Management A study of the nature of property management, types of property, lease preparation, property maintenance and protection of property (Insurance). Other topics include accounting and budgeting in property management, tenant selection and legal and professional requirements of a property manager.	3	0	3
T-BUS 247 Business Insurance An investigation of fundamentals of risk and its application with particular emphasis upon the exposures faced by the consumer and the insurance techniques to cope with the exposures. Offered to the individual who will be a purchaser of insurance and as an introductory course to those who might want further study in insurance preliminary to employment.	3	0	3
SIXTH QUARTER			
T-BUS 228 Land Use Policy and Governmental Influence on Real Estate A study of the local and national trends in the development, use and value of real property, as well as governmental policies and their affect on the real estate market. Skills are developed in the analysis, research and correlation of the various trends, policies and factors affecting real estate.	3	2	4

SIXTH QUARTER - continued	Hours Per Week Class	Hours Per Week Lab	Quarter Hours Credit
T-BUS 231 Real Estate Merchandising A survey of the real estate merchandising process including advertising, marketing and selling with special emphasis on the real estate salesperson, the consumer and influence on the economy.	3	0	3
T-BUS 294 Appraisal III A study of the capitalization of income and the income approach to value. Topics covered include an analysis of steps to estimate the value of income-producing properties such as apartments, hotels, motels, office buildings, retail stores, industrial, etc.; interest rates; recapture rates; capitalization rates and techniques, and appraisal of lease interests.	2	3	4
T-BUS 235 Business Management This course is designed to provide information about the major functions of management and the skills that lead to managerial success in business and industry through study of planning, organizing, directing and controlling of activities in an organization.	3	0	3

ELECTIVES

An appropriate list of electives for this curriculum is shown from which the institutions may select courses to complete the program of study. The institution has the prerogative to develop new courses for the electives or to modify courses from the suggested list to fulfill the local objectives. It is suggested, however, that technical courses be appropriate to the major area of study; that they not change or alter the major objectives of the program nor create a false impression of proficiency in an area either related or foreign to the major.

Elective courses must be selected from an associate degree course or new courses should be developed at a comparable level. The institution may elect to require certain courses or may let the student select an appropriate course.

BUSINESS

T-BUS 115 Business Law I 3 0 3
A general course designed to acquaint the student with certain fundamentals and principles of business law, including contracts, negotiable instruments and agencies.
Prerequisite: None.

T-BUS 116 Business Law II 3 0 3
Includes the study of laws pertaining to bailments, sales, risk-bearing, partnership-corporation, mortgages, and property rights.
Prerequisite: T-BUS 115 Business Law I.

T-BUS 248 Business Investments 3 0 3
Presentation of the historical evolution of investment principles and a logical presentation of present day investment principles and investment analysis.
Prerequisite: None.

T-EDP 104 Introduction to Data Processing 3 2 4
Fundamental concepts and operational principles of data processing systems, as an aid in developing a basic knowledge of computers, prerequisite to the detail study of particular computer problems. This course is a prerequisite for all programming courses.
Prerequisite: None.

SOCIAL SCIENCE

T-SSC 201 Social Science 3 0 3
An integrated course in the social sciences, drawing from the fields of anthropology, psychology, history, and sociology.
Prerequisite: None.

T-SSC 202 Social Science 3 0 3
A further study of social sciences with emphasis on economics, political science, and social problems as they relate to the individual.
Prerequisite: T-SSC 201.

T-SSC 205 American Institutions 3 0 3
A study of the effect of American social, economic, and political institutions upon the individual as a citizen and as a worker. The course dwells upon current local, national, and global problems viewed in the light of our political and economic heritage.
Prerequisite: None.

T-PSY 206 Applied Psychology 3 0 3
A study of the principles of psychology that will be of assistance in the understanding of interpersonal relations on the job. Motivation, feelings and emotions are considered with particular reference to on-the-job problems. Other topics investigated are: employee selection, supervision, job satisfaction, and industrial conflicts. Attention is also given to personal and group dynamics so that the student may learn to apply the principles of mental hygiene to his adjustment problems as a worker and a member of the general community.
Prerequisite: None.

T-POL 201 United States Government 3 0 3
A study of government with emphasis on basic concepts, structure, powers, procedures and problems.
Prerequisite: None.

T-SOC 207 Rural Society 3 0 3
A study of selected elements of rural sociology with emphasis on current social changes. The course provides a sociological background for the understanding of rural social changes, Areas of study include rural culture, group relationships, social classes, rural and suburban communities, farm organizations, the communication of agricultural technology, rural social problems, agricultural adjustment and population change.
Prerequisite: None.

T-ECO 108 Consumer Economics 3 0 3
Designed to help the student use his resources of time, energy and money to get the most out of life. It gives the student an opportunity to build useful skills in buying, managing his finances, increasing his resources, and to understand better the economy in which he lives.
Prerequisite: None.

COURSE OUTLINES AND ABSTRACTS*

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*Each course outline and abstract will begin with page 1. Each page will be identified with an Arabic number in lower center, and a course number in lower right-hand corner.

FIRST QUARTER

SYLLABUS FOR
FUNDAMENTALS OF REAL ESTATE I
BUSINESS 162

This syllabus was developed by Richard S. Pindell, REALTOR, Pindell-Wilson Co., Raleigh, North Carolina. Appreciation is expressed to Mr. Pindell for his cooperation and assistance on this syllabus.

BUSINESS 162

FUNDAMENTALS OF REAL ESTATE I

I. DESCRIPTION OF COURSE:

This introductory course is one of two courses designed to introduce students to the real estate industry. Fundamental principles and theories of real estate are covered including terminology, North Carolina's Licensing Law, ethics, and organizational structure.

II. COURSE OBJECTIVES:

Given the materials as presented in this course, the student will be able to identify the influence of the North Carolina Licensing Law on the real estate industry and to discuss the principles and basic theories of the real estate industry.

III. COURSE OVERVIEW:

A. North Carolina Real Estate Licensing Law and the Licensing Board

B. Real Estate Organization Structure

C. REALTOR'S Code of Ethics

D. Real Estate Terminology

E. Real Estate as a Commodity

F. Social Importance of Real Estate

G. Long-Range Planning in Real Estate

IV. CREDITS, HOURS, PREREQUISITES:

A. Three (3) quarter hours credit

B. Three (3) class hours per week

C. Prerequisite: None

V. EVALUATION:

The evaluation should be based on the completion of stated objectives and should include one or more of the following:

A. Two objective-type tests
   1. Mid-term examination
   2. Final examination

B. Two discussion-type tests as described in A.

C. Two combination tests - objective-type and discussion-type - as described in A and B.

BUSINESS 162 FUNDAMENTALS OF REAL ESTATE I

Objective	Content Outline	Activity Experience	Evaluation
I. To introduce students to the purpose and need for a real estate licensing law. To introduce students to the functions, authority, jurisdiction, etc. of the North Carolina Real Estate License Board.	I. North Carolina Real Estate License Law A. Purpose and need for real estate license law B. Provisions of the real estate law C. Operation and Administration 1. North Carolina Real Estate License Board a. Creation of the Board - July 1, 1957. b. Members of the board (1) Number and term of each (2) Vacancies left by members (3) Removal of members (a) Reasons for removal (b) Procedures for removal c. Means of financing Board d. Authority of the Board e. Jurisdiction of the Board f. Reciprocity 2. Licensing procedure D. Major improvements in the real estate law E. Projections for the future	I. Assignment: *NCRE: Chapters 2 and 3 Supplementary Reading. **SGRE: Part I *** REF: Part IV Lecture/Discussion Obtain copies of the North Carolina Real Estate License Law (write the NC Real Estate Licensing Board - address in bibliography)	I. Given an oral test, the student will be able to discuss the real estate license law and license board.

*NCRE: North Carolina Real Estate for Brokers and Salesmen

**SGRE: A Study Guide for the North Carolina Real Estate Broker's and Salesman's Licensing Examination

*** REF: Real Estate Fundamentals in North Carolina

Objective	Content Outline	Activity Experience	Evaluation
II. To introduce students to the professional organizations that are available in the real estate industry and the function and purpose of each.	II. Real Estate Organizational Structure A. The local real estate board 1. Promotes working relationship between brokers and salesmen. 2. Maintains ethical standards 3. Disseminates real estate information to its members a. Sales data b. Educational programs B. The State Association - North Carolina Association of REALTORS, Inc. 1. Founding and brief history 2. Objectives 3. Services available to the members C. The National Association - National Association of REALTORS (NAR) 1. Founding and brief history 2. Present activities a. Research b. Education c. Distribution of information d. Public relations 3. Institutes directly sponsored by NAR a. Institute of Real Estate Management b. Society of Industrial REALTORS (Washington, D.C.) c. American Institute of Real Estate Appraisers d. National Institute of Farm and Land Brokers e. Real Estate Securities and Syndication (Washington, D.C.) f. National Institute of Real Estate Brokers g. American Society of Real Estate Counselors	II. Lecture/Discussion Use representative from each organization, as resource person or classroom speaker, to describe the function and purpose of the qualifications for membership. (Address of each is listed in the bibliography)	II. Oral discussion of the professional organization in the real estate industry.

Objective	Content Outline	Activity Experience	Evaluation
III. To introduce students to the meaning and purpose of the REALTOR'S Code of Ethics.	III. REALTOR'S Code of Ethics A. Main points of the Code 1. Part I - Relations to the public a. Articles 3,8,9 and 10 b. Sample cases 2. Part II - Relations to the client a. Articles 11,15,19 and 20 b. Sample cases 3. Part III - Relations to fellow REALTORS a. Articles 22,24,26 and 29 b. Sample cases B. Problems of the Code C. Other points related to the Code 1. Transcends the Licensing Law 2. Certain elements of business conduct cannot be legislated 3. Framework within which good, moral business practices take place	III. Assignment: NCRE: Chapter 21 Supplementary reading: REF: Part V Lecture/Discussion Obtain copies of the REALTOR'S Code of Ethics for each student. (Write the N C Association of REALTOR'S, Inc. - address in bibliography) Review and study the ten articles in the three parts of the Code.	III. The student will be able to discuss the main points and purpose of the REALTOR'S Code of Ethics either in writing or orally.

Objective	Content Outline	Activity Experience	Evaluation
	IV. Major Compotents of the Real Estate Industry	IV. Assignment:	
IV-A. To be able to identify the terms and terminology used in the real estate industry.	A. Definition of terms 1. Real Estate - a. Business sponsoring various transactions in real property b. The commodity dealt in, i.e., Realty, and all interest therein 2. Broker-Agent - for others (seller or buyer) in the sale or use of real property [Refer to NC General Statute 93A-2(a)] 3. Salesman-Agent - for others (seller or buyer) in the sale or use of real property [Refer to NC General Statute 93A-2(b)]	NCRE: Chapter 1 Supplementary reading: REF: Parts I and V Lecture/Discussion	IV-A. Given an objective-type test, the student will be able to identify the terms and terminology used in the real estate industry.
	4. Property - [Refer to Webster, North Carolina Real Estate, pp. 143-144) a. Real property b. Personal property	A-4. Assignment: NCRE: Chapter 10	

Objective	Content Oultine	Activity Experience	Evaluation
IV-B. To introduce students to the special characteristics of real estate as a commodity. To compare and control real estate in the United States with other countries.	IV-B. Special characteristics of real estate as a commodity 1. How real estate is like a commodity 2. How real estate is unlike a commodity. 3. Control of space a. The commodity traded is the CONTROL OF SPACE (1) Ownership (2) Leasing b. Various governments control space (1) Roads (2) Parks (3) Buildings (4) Waterways c. Emminent domain defined - Private ownership of bits of space is right granted (if permitted) by sovereign state. d. Wars between countries are usually for control of space e. Land Act of 1785 assured private ownership f. Much litigation over "space" g. Land as a commodity is still subject to basis of supply and demand		IV-B. Given an objective or discussion-type test, the student will be able to analyze the special characteristics of real estate as a commodity,and to compare and contrast real estate in the United States with other countries with 70% accuracy.

Objective	Content Outline	Activity Experience	Evaluation
	4. Fixity of location (immobility) a. Leads to non-homogeneity between units of space b. Tends to limit the AREA OF THE MARKET for a particular UNIT OF SPACE c. Makes each unit of space subject to the economic, social, political, and physical changes in the area surrounding it d. Basis for legal distinction between units of space (1) Legal descriptions (2) Surveys 5. Indestructibility a. Land is relatively permanent (1) Earthquake (2) Erosion b. Improvements to land have a longer life than that of most other commodities 6. Fixity of investment (fixed investment) a. Relative permanency of land and long life of improvements tend to fix investments in real estate for long periods of time b. Difficult to change most land uses once improvements have been made 7. Relatively large investments involved a. Size of investment b. Ratio of investment to value c. Requires the services of specialists in real estate, e.g., brokers and property managers d. Usually requires special financing arrangements 8. Modifications "on" and "to" land are usually required a. Improvements on a particular unit of space b. Improvements to surrounding public and private space 9. Comparison of real estate in United States with other countries		

Objective	Content Outline	Activity Experience	Evaluation
V. To be able to identify the role of the real estate industry in society.	V. Social Importance of Real Estate A. Each city is a man-made environment of real estate facilities 1. Accommodates the political, social, cultural, and economic activities of a community 2. Problem - is this true (no) B. Conflict between competing uses of real estate resources - supply and demand 1. Importance of real estate broker in correctly solving such conflicts a. Zoning 1. Who zones 2. Why zone b. Restrictions c. Building codes d. Health, safety and sanitation requirements 2. Who enforces restrictive covenants - property owner 3. Government regulations may be needed, zoning, planning, etc. (Real Estate industry will not restrict itself) C. The problem of slum or blighted areas 1. Affect on ambition, health, religion, morals and personal habits 2. Expense of providing services 3. Low tax revenue D. Tendency toward increased owner-occupancy of residential unit 1. Social importance attributed to home ownership 2. Trend today	V. Lecture/Discussion Use local city, county and state officials as resource persons and/or classroom speakers.	V. Given an objective- or discussion-type test, the student will be able to identify the real estate industry's role in society with 70% accuracy.

Objective	Content Outline	Activity Experience	Evaluation
VI. To be able to determine the reasons for long-range planning in real estate.	VI. Need for Long-Range Planning A. Broad knowledge of real estate resources. B. Understanding of the economic and social factors which may affect real estate. C. Need for instructors, planners, consultants, etc.	VI. Lecture/Discussion Use local REALTORS and/or the State Association as resources and/or classroom speakers.	VI. Given an objective or discussion-type test, the student will be able to determine the reasons for long-range planning in real estate with 70% accuracy.

BIBLIOGRAPHY

1. Books

Textbook: Webster, Jr., James A., *North Carolina Real Estate for Brokers and Salesmen*. Englewood Cliffs, New Jersey: Prentice-Hall, Inc., 1974.

Berston, HY, Homer Davey and Edna Lundberg. *Real Estate Practice: A Teacher's Guide*. Rev. ed. California: Department of Real Estate, 1971.

Berston, HY, Homer Davey and Edna Lundberg. *Real Estate Practice Workbook*. Rev. ed. California: Department of Real Estate, 1971.

Committee on Professional Standards. *Interpretations of the Code of Ethics*. 5th ed. Chicago: National Association of REALTORS, 1974.

*Moretz, H. Lynn and Bruce H. Smith. *A Study Guide for the North Carolina Real Estate Broker's and Salesman's Licensing Examination*. Charlotte, North Carolina: Educational Systems, Inc., 1974.

*Palmer, Ralph A., *Real Estate Fundamentals in North Carolina*. Brevard, North Carolina: Real Estate Education, Inc., 1973.

"REALTOR Code of Ethics". Chicago: National Association of Real Estate Boards, 1962.

Ring, Alfred A., *Instructor's Manual to Questions and Problems in Real Estate Principles and Practices*. 3rd ed. Englewood Cliffs, New Jersey: Prentice-Hall, Inc., 1972.

Ring, Alfred A., *Questions and Problems in Real Estate Principles and Practices*. 3rd ed. Englewood Cliffs, New Jersey: Prentice-Hall, Inc., 1972.

Ring, Alfred A., *Real Estate Principles and Practices*. 7th ed. Englewood Cliffs, New Jersey: Prentice-Hall, Inc., 1972.

*Semenow, Robert W., *Questions and Answers on Real Estate*. 7th ed. Englewood Cliffs, New Jersey: Prentice-Hall, Inc., 1972.

Shea, James T., *Working with Numbers*. Austin, Texas: Steck-Vaughn Company, 1974.

Unger, Maurice A., *Real Estate: Principles and Practices*. Cincinnati: South-Western Publishing Company, 1969.

*Suggested books for supplementary reading in course outline.

Weich, I. Edward. Real Estate. New York: Barnes & Nobles Books, 1967.

Weston, Joseph E., Weston's Real Estate Mathematics. 6th ed. Portland, Oregon: Wesle Publishing Company, 1973.

2. Periodicals and Pamphlets

Davis, John G., "Real Estate: A Career with a Bright Future," reprint, Journal of College Placement, February, 1962.

North Carolina Real Estate Licensing Law.

"Preparing for the Real Estate Business." Chicago: Department of Education, National Association of Real Estate Boards, 1950.

Real Estate Business. Washington, D. C.: Small Business Administration, 1968.

"Superior Equipment of the REALTOR." Chicago: National Association of Real Estate Boards, not dated.

3. Audiovisual Aids

Instructors are encouraged to produce transparencies and slides as appropriate for each topic. Work with local real estate board and related agencies in obtaining slides or other visuals that may be available.

4. Other Sources

Local Boards of REALTORS

Mr. Jim Bichsel
Executive Vice President
North Carolina Association of REALTORS, Inc.
and
North Carolina Real Estate Educational Foundation, Inc.
P. O. Box 6306
Greensboro, North Carolina 27405
(919) 273-0504

Dr. Joseph F. Schweidler
Secretary-Treasurer
North Carolina Real Estate Licensing Board
813 BB&T Building
P. O. Box 266
Raleigh, North Carolina 27601

National Association of REALTORS
155 East Superior Street
Chicago, Illinois 60611

BUSINESS 101

Introduction to Business*

DESCRIPTION OF COURSE:

A survey of the business world that introduces the student to the history of United States business, organization and administration, production, accounting, statistics, management, marketing, finance, and business law.

COURSE HOURS PER WEEK: Class, 3; Laboratory, 2.

QUARTER HOURS CREDIT: 4

PREREQUISITE: None

MAJOR DIVISIONS OF COURSE CONTENT:

I. The background of business

II. Organization and administration

III. Production

IV. Human resources

V. Information for control and management decision

VI. Marketing

VII. Finance

VIII. Business and society

SUGGESTED TEXTBOOKS

Glos, Raymond E. and Harold A. Baker. Business: Its Nature and Enviroment, an Introduction. 7th ed. Cincinnati: South-Western Publishing Co., 1972.

Keith, Lyman A. and Carlo E. Gubellini. Introduction to Business Enterprise. 4th ed. New York: McGraw-Hill Book Co., 1975.

Kirkpatrick, Charles A. and Frederick A. Russ. Business. Chicago: Science Research Associates, Inc., 1974.

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*This is an abstract of the Introduction to Business syllabus. For a complete copy of the syllabus, write to Program Development Division, Department of Community Colleges, Education Building, Raleigh, NC 27611.

SUGGESTED REFERENCES:

Bethel, Lawrence L., et al. Industrial Organization and Management. 5th ed. New York: McGraw-Hill Book Co., 1971.

Broom, Halsey N., Business Policy and Strategic Action: Text, Cases and Management Game. Englewood Cliffs, New Jersey: Prentice-Hall, Inc., 1969.

Broom, Halsey N. and J. G. Longenecker. Small Business Management. 3rd ed. Cincinnati: South-Western Publishing Co., 1971.

Keith, Lyman A. and Carlo E. Gubellini. Study Guide-Workbook for Introduction to Business Enterprise. New York: McGraw-Hill Book Co., 1975.

Yoder, Dale. Personnel Management and Industrial Relations. 6th ed. Englewood Cliffs, New Jersey: Prentice-Hall, Inc., 1970.

BUSINESS 109

Business Mathematics*

DESCRIPTION OF COURSE:

This course was designed to provide a review of the fundamentals of arithmetic and their practical application to business problems in the processes of trading, operating, ownership, financing, investing, summarizing and analyzing. Topics covered include cash and trade discounts, markup, interest, taxes and pertinent uses of mathematics in business and industry.

COURSE HOURS PER WEEK: Class, 5; Laboratory, 0.

QUARTER HOURS CREDIT: 5.

PREREQUISITE: None.

MAJOR DIVISIONS OF COURSE CONTENT:

I. Fundamentals of Arithmetic

II. Mathematics of Trading

III. Mathematics of Operating

IV. Mathematics of Finance

V. Mathematics of Summary and Analysis

VI. Mathematics of Business Ownership

VII. Mathematics of Investment

SUGGESTED TEXTBOOKS:

Beighey, Clyde and Gordon C. Borchardt. Mathematics for Business: College Course. 5th ed. New York: McGraw-Hill Book Company, Gregg and Community College Division, 1974.

Bush, Grace A. and John E. Young. The Mathematics of Business. Chicago: Science Research Associates, 1974.

Diamond, Jay and Gerald Pintel. Basic Business Mathematics. New Jersey: Prentice-Hall, Inc., 1972.

Kaliski, Burton S., Business Mathematics. New York: Harcourt Brace Jovanovich, Inc., 1972.

Rice, Louis A., Alfred C. Boyd and F. Blair Mayne. Business Mathematics for Colleges. 6th ed. Cincinnati: South-Western Publishing Co., 1973.

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*This is an abstract of the Business Mathematics syllabus. For a complete copy, write to Program Development Division, Department of Community Colleges, Education Building, Raleigh, North Carolina 27611.

ECONOMICS 102

ECONOMICS I*
(Introduction to Economics)

DESCRIPTION OF COURSE:

This course is specifically designed to create an awareness of the economic decisions that are made daily by individuals and groups in society. Emphasis is primarily on general economics for citizenship; and generally on politics, history, sociology, etc. The course provides a foundation for further study in economics but is also designed for the student who may not have another economics course.

COURSE HOURS PER WEEK: Class, 3; Laboratory, 0.

QUARTER HOURS CREDIT: 3

PREREQUISITE: None

MAJOR DIVISIONS OF COURSE CONTENT:

I. The economic system

II. The market system

III. Monetary policy in a market system

IV. Government finance and fiscal policy

V. Business cycles and inflation

SUGGESTED TEXTBOOKS:

Bowden, Elbert V., Economics: The Science of Common Sense. Cincinnati: South-Western Publishing Co., 1974.

Hailstones, Thomas add Michael Brennan. Economics: An Analysis of Principles and Policies. Cincinnati: South-Western Publishing Co., 1970.

McConnell, Campbell R., Economics: Principles, Problems and Policies. 5th ed. New York: McGraw-Hill Book Co., 1972.

SUGGESTED REFERENCES:

Daily Newspapers
Television programs related to topics discussed
U. S. News and World Report

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*This is an abstract of Economics I (introductory) syllabus. For a complete copy, write to Program Development Division, Department of Community Colleges, Education Building, Raleigh, North Carolina 27611.

ENGLISH 101

Grammar*

DESCRIPTION OF COURSE:

Designed to aid the student in the improvement of self-expression through writing. Emphasis is on grammar, diction, sentence structure, punctuation and spelling. It is intended to stimulate students in applying the basic principles of English grammar in their day-to-day situations in industry and social life.

COURSE HOURS PER WEEK: Class, 3; Laboratory, 0

QUARTER HOURS CREDIT: 3

PREREQUISITE: None

MAJOR DIVISIONS OF COURSE CONTENT:

I. Parts of Speech

II. Correct Word Choice

III. Sentence Structure

IV. Punctuation

V. Paragraphs and Topic Sentences

SUGGESTED TEXTBOOKS:

Aurner, Robert R. and Paul S. Burtners. Practical English for Colleges. 4th ed. Chicago: South-Western Publishing Co., 1969.

Graham, Sheila Y., Harbrace College Workbook. Form 7A and 7B. New York: Harcourt Brace Jovanovich, 1973.

Hodges, John C. and Mary E. Whitten. Harbrace College Handbook. 7th ed. New York: Harcourt Brace Jovanovich, 1972.

Perrin, Porter G. and George H. Smith. Handbook of Current English. Glenview, Illinois: Scott, Foresman and Company, 1968.

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*This is an abstract of the English Grammar syllabus. For a complete copy, write to Program Development Division, Department of Community Colleges, Education Building, Raleigh, North Carolina 27611.

SECOND QUARTER

SYLLABUS FOR
FUNDAMENTALS OF REAL ESTATE II
BUSINESS 163

This syllabus was developed by Richard S. Pindell, REALTOR, Pindell-Wilson Co., Raleigh, North Carolina. Appreciation is expressed to Mr. Pindell for his cooperation and assistance on this syllabus.

BUSINESS 163

Fundamentals of Real Estate II

I. DESCRIPTION OF COURSE:

This introductory course is a continuation of T-BUS 162, Fundamentals of Real Estate I. Theory and practice of real estate are covered including fundamental operation of real estate, the real estate industry and its relationship to financing, appraising and law, and listing and closing of real estate.

II. COURSE OBJECTIVES:

Given the materials as presented in this course, the student will be able to discuss the theory and practice of the real estate industry to related industries including finance, appraisal, law, advertising and marketing and to federal, state and local governments. The student will be able to define and complete forms used in real estate including: listing, purchase and closing.

III. COURSE OVERVIEW:

A. Listing of real estate
B. Appraising and the real estate industry
C. Finance and the real estate industry
D. Offer to purchase form
E. Closings
F. Brokerage and sales in the real estate industry
G. Real property law

IV. CREDITS, HOURS, PREREQUISITES:

A. Three (3) quarter hours credit
B. Three (3) class hours per week
C. Prerequisite: T-BUS 162 Fundamentals of Real Estate I

V. EVALUATION:

The evaluation should be based on the completion of stated objectives and should include one or more of the following:

A. Three objective-type tests:
    1. Two 1/2 hour examinations (short tests)
    2. Final Examination
B. Three discussion-types tests as described above
C. Three combination tests - objective-type and discussion-type - as described in A and B

SUGGESTED TIME SCHEDULE FOR

FUNDAMENTALS OF REAL ESTATE II

Lecture Number	Lecture Hours	Outline Section, Number and Title
1	3	I. Listing
2	3	II. Appraising
3	3	II. Appraising
	6	
4	1/2	Examination
	2-1/2	III. Finance
	3	
5	3	III. Finance
6	3	IV. Offer to Purchase Form
7	3	V. Closings
8	1/2	Examination
	2-1/2	VI. Brokerage
	3	
9	3	VII. Real Property Law
10	1-1/2	VII. Real Property Law
	1-1/2	VIII. Review
	3	
11	3	Examination
TOTAL HOURS	33	

Objective	Content Outline	Activity Experience	Evaluation
	I. Listing of Real Estate	I. Assignment:	
A. To be able to define listing and to describe the importance of listing.	A. Listing 1. Defined 2. Importance of listing 3. Professional relationship with seller a. Difference between client and customer (1) Employer is client (2) Buyer is customer b. Counseling (1) Need for agent to be knowledgeable (2) Be bluntly honest with seller when discussing listing	*NCRE: Chapters 6, 16 Supplementary reading: **SGRE: Section 16 ***REF: Lecture/discussion Obtain listing forms from the North Carolina Association of REALTORS (Address in bibliography) Class discussion/illustration on how to fill out listing form.	A. Given an objective-type test, the student will be able to define listing and describe its importance.
B. To be able to define the types of listing.	B. Types of listing 1. Exclusive right to sell 2. Exclusive agency 3. Net listing 4. Open 5. Multiple		B. Given an objective-type test, the student will be able to list and describe at least three types of listings.
C. To be able to complete a real estate listing contract.	C. Real estate listing contract 1. Construction of contract 2. What contract should include 3. How to prepare the form	C. Use listing form and illustrate what is included and how to prepare form.	C. Given the appropriate information, the student will be able to complete a listing contract.
D. To be able to determine the ways and means of how to find listing.	D. Locating potential listings (How to locate or find) 1. For sale by owner 2. Advertising for listing 3. Personal solicitation 4. Centers of influence a. Developing referral business b. Best source for finding listing		D. Given an objective-type test, the student will be able to list the five ways and means of how to find listings. or Given a discussion-type test, the student will be able to describe at least two of the five ways and means of how to find listings.

*NCRE: North Carolina Real Estate for Brokers and Salesmen

**SGRE: A Study Guide for the North Carolina Real Estate Broker's and Salesman's Licensing Examination

***REF: Real Estate Fundamentals in North Carolina

Objective	Content Outline	Activity Experience	Evaluation
E. To be able to describe the procedures involved in the listing process.	E. Listing process (How to get the listing) 1. Make an appointment 2. Preparation prior to appointment a. Competitive market analysis (1) Survey of a neighborhood (2) Survey should include: (a) Houses that have been sold (b) Houses for sale (c) Length of time for selling house (d) Arrival at recommended sale price b. Self-preparation for listing presentation (Reasons for using an agent in listing real estate) 3. Servicing the listing (Keep owner informed on progess of listing		E. Given the appropriate information, the student will be able to describe the listing process either in writing or in class discussion.

Objective	Content Outline	Activity Experience	Evaluation
II. To introduce students to the role of appraising in the real estate industry and/or to prepare a residential appraisal report.	II. Appraising A. Defined B. Appraisal theory C. Three approaches to value 1. Cost 2. Market 3. Income D. Purpose and function of appraising 1. Transfer of ownership 2. Financing 3. Condemnation proceedings E. Elements of value 1. Scarcity 2. Demand 3. Transferability 4. Utility	II. Assignment: NCRE: Chapter 18 Supplementary reading: SGRE: Section 20 REF: Part III Lecture/discussion Show illustrations of various appraisal reports. (Collect from local REALTORS or appraisers.) Demonstrate and have students prepare a residential appraisal report. Use "The Expanded Appraisal Process" chart in the Appendix when discussing appraisal theory.	II. Given an objective-type test, the student will be able to identify the role of appraising in the real estate industry. or Given the appropriate information, the student will be able to prepare a residential appraisal report.

Objective	Content Outline	Activity Experience	Evaluation
III. To acquaint the student with finance's role in the real estate industry. To be able to define the types of mortgages and loans used in the finance industry.	III. Finance and the Real Estate Industry A. Purpose, need and scope of finance in real estate B. Define: 1. Mortgages 2. Note 3. Deed of trust C. Real estate as collateral for a loan D. Types of mortgages 1. Permanent mortgages a. Residential mortgages (1) Conventional (2) VA guaranteed loans (3) FHA insured loans (4) Farmer's Home Administration (5) Federal Land Bank b. Income producing mortgages (1) Conventional (a) Full amortization (b) Partial amortization (2) FHA insured 2. Types of interim mortgages a. Land acquisition b. Land development c. Construction 3. Purchase money mortgages (owner-financing) E. Interest rates 1. Rates as function of supply and demand 2. Rates as a function of risk F. Discounts G. Ratio of loan to property value	III. Assignment: NCRE: Chapters 11, 12, 13 Supplementary reading: SGRE: Section 17 REF: Part II Lecture/discussion Utilize a representative from a real estate finance/mortgage company and/or from a governmental agency as a resource person and/or speaker.	III. Given a discussion-type test, the student will be able to describe the role of finance in the real estate industry. or Given an objective-type test, the student will be able to define the types of mortgages and loans used in the real estate industry.

Objective	Content Outline	Activity Experience	Evaluation
IV. To be able to complete an offer to purchase form.	IV. Offer to Purchase Form A. Defined B. Terms and conditions C. Description of real property D. Signature requirements E. Termination of an offer F. Statute of frauds G. Demonstration on how to complete form	IV. Assignment: NCRE: Chapter 5 Supplementary reading: SGRE: Sections 13, 14, 15 Lecture/discussion Acquire standard forms from National Association of REALTORS, Inc. (Address in bibliography) Demonstrate and explain form. Have student complete a form.	IV. Given the appropriate information, the student will be able to complete an offer to purchase form.

Objective	Course Outline	Activity Experience	Evaluation
V. To be able to prepare a closing statement.	V. Closing the Real Estate Transaction A. Closing defined B. Parties involved in closing 1. Buyer 2. Seller 3. Loan representative C. Preliminaries to closing 1. Title search 2. Survey of property involved 3. Chattel lien search 4. Materialmen's and laborers' liens 5. Property inspection by the buyer 6. Clearance of defects by seller D. Closing real estate transactions 1. Update title search 2. Legal documents a. Deed b. Mortgage (deed of trust and note) c. Lien waivers d. Insurance policies e. Bill of sale f. Leases 3. Closing costs and prepaid items a. Costs and prepaid items defined (1) Taxes (2) Special assessment (3) Insurance (4) Water and utility bills (5) Rents (6) Other b. Who pays these costs 4. Role of: a. Attorney b. Loan officer c. Buyer d. Seller e. Agent	V. Assignment: NCRE: Chapter 9 Supplementary reading: SGRE: Part IV REF: Lecture/discussion Demonstrate and have students prepare a closing statement.	V. Given the appropriate information, the student will be able to prepare a closing statement.

Objective	Content Outline	Activity Experience	Evaluation
VI. To introduce students to the importance of real estate brokerage. To be able to identify some of the reasons for becoming a broker.	VI. Brokerage A. Defined B. Brokerage business and the salesperson 1. Prerequisites for becoming a salesperson 2. Wages and hours 3. Working conditions C. Operations encompassed in real estate brokerage--self-employed 1. Organization of the market place 2. Reasons for becoming a broker a. Desire (1) Except for public, elements of being own boss (2) Commission with no ceiling (3) No retirement age (4) No regulated hours (5) Versatility (6) Aggressiveness b. Education and training (1) Continuous education in the areas of governmental influence and law, mathematics, English, engineering construction (2) Training in mechanics of ownership transfer accounting and advertising c. License law d. Capital (1) Sufficient to serve the public (2) Sufficient for constant updating (3) Sufficient to expand without loss	VI. Assignment: NCRE: Chapters 8, 16, 20 Supplementary reading: SGRE: Part I, Section 2 Part III, Section 22 REF: Part V Lecture/discussion Field trip to a real estate office. Utilize a local real estate office or board for resource person(s) or speaker(s) to describe the role of the broker in the real estate industry.	VI. Given an objective-type test, the student will be able to identify the operations of a brokerage firm and the role of the broker with 70% accuracy.

Objective	Content Outline	Activity Experience	Evaluation
	e. Personnel (1) Competence to act on their own (2) Reflect credit on operation (3) Fidelity and interest 3. Operating as a broker a. Required operations (1) Accounting (2) Advertising (3) Appraising (4) Financing (5) Listing (6) Selling (7) Showing b. Operating capital (1) advertising (2) Other D. Condominiums and townhouses 1. Defined 2. Advantages 3. Disadvantages		

Objective	Content Outline	Activity Experience	Evaluation
VII. To be able to identify the relationship of real property and real property law. To be able to identify the types of legal instruments used in real estate.	VII. Real Property Law A. Law of Agency 1. Relationship to broker 2. Relationship to salesperson B. Contracts 1. Defined 2. Essential nature of contracts 3. Classes of contracts 4. Interpretation of contracts 5. Statute of frauds C. Real property 1. Defined 2. Distinction between real and personal property 3. Law of fixtures 4. Ownership of Property 5. Easements a. Defined b. Types of easements c. Creation of easements d. Termination of easements 6. Estates a. Classification of estate b. Acquisition of estate 7. Deeds a. Defined b. Types of deeds c. Essential factors or parts of a deed 8. Law of principal and agent	VII. Assignment: NCRE: Chapters 4, 5, 10 Supplementary reading: SGRE: Part III REF: Lecture/discussion Utilize the services of an attorney-at-law for instuctional materials and/or as a speaker.	VII. Given an objective- or discussion-type test, the student will be able to relate real property and real property law. Given an objective-type test, the student will be able to identify the types of legal instruments used in real estate with 70% accuracy.

BIBLIOGRAPHY

1. Books

Textbook: Webster, Jr., James A., North Carolina Real Estate for Brokers and Salesmen. Englewood Cliffs, New Jersey: Prentice-Hall, Inc., 1974.

Berston, HY, Homer Davey and Edna Lundberg. Real Estate Practice: A Teacher's Guide. Rev. ed. California: Department of Real Estate, 1971.

Berston, HY, Homer Davey and Edna Lundberg. Real Estate Practice Workbook. Rev. ed. California: Department of Real Estate, 1971.

Committee on Professional Standards. Interpretations of the Code of Ethics. 5th ed. Chicago: National Association of REALTORS, 1974.

*Moretz, H. Lynn and Bruce H. Smith. A Study Guide for the North Carolina Real Estate Broker's and Salesman's Licensing Examination. Charlotte, North Carolina: Educational Systems, Inc., 1974.

*Palmer, Ralph A., Real Estate Fundamentals in North Carolina. Brevard, North Carolina: Real Estate Education, Inc., 1973.

"REALTOR Code of Ethics". Chicago: National Association of Real Estate Boards, 1962.

Ring, Alfred A., Instructor's Manual to Questions and Problems in Real Estate Principles and Practices. 3rd ed. Englewood Cliffs, New Jersey: Prentice-Hall, Inc., 1972.

Ring, Alfred A., Questions and Problems in Real Estate Principles and Practices. 3rd ed. Englewood Cliffs, New Jersey: Prentice-Hall, Inc., 1972.

Ring, Alfred A., Real Estate Principles and Practices. 7th ed. Englewood Cliffs, New Jersey: Prentice-Hall, Inc., 1972.

*Semenow, Robert W., Questions and Answers on Real Estate. 7th ed. Englewood Cliffs, New Jersey: Prentice-Hall, Inc., 1972.

Shea, James T., Working with Numbers. Austin, Texas: Steck-Vaughn Co., 1974.

Unger, Maurice A., Real Estate: Principles and Practices. Cincinnati: South-Western Publishing Co., 1969.

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*Suggested books for supplementary reading in course outline.

Weich, I. Edward. Real Estate. New York: Barnes & Noble Books, 1967.

Weston, Joseph E., Weston's Real Estate Mathematics. 6th ed. Portland, Oregon: Wesle Publishing Co., 1973.

2. Periodicals and Pamphlets

Davis, John G., "Real Estate: A Career with a Bright Future," reprint, Journal of College Placement, February, 1962.

North Carolina Real Estate Licensing Law.

"Preparing for the Real Estate Business." Chicago: Department of Education, National Association of Real Estate Boards, 1950.

Real Estate Business. Washington, D. C.: Small Business Administration, 1968.

"Superior Equipment of the REALTOR." Chicago: National Association of Real Estate Boards, not dated.

3. Audiovisual Aids

Instructors are encouraged to produce transparencies and slides as appropriate for each topic. Work with local real estate board and related agencies in obtaining slides or other visuals that may be available.

4. Other Sources

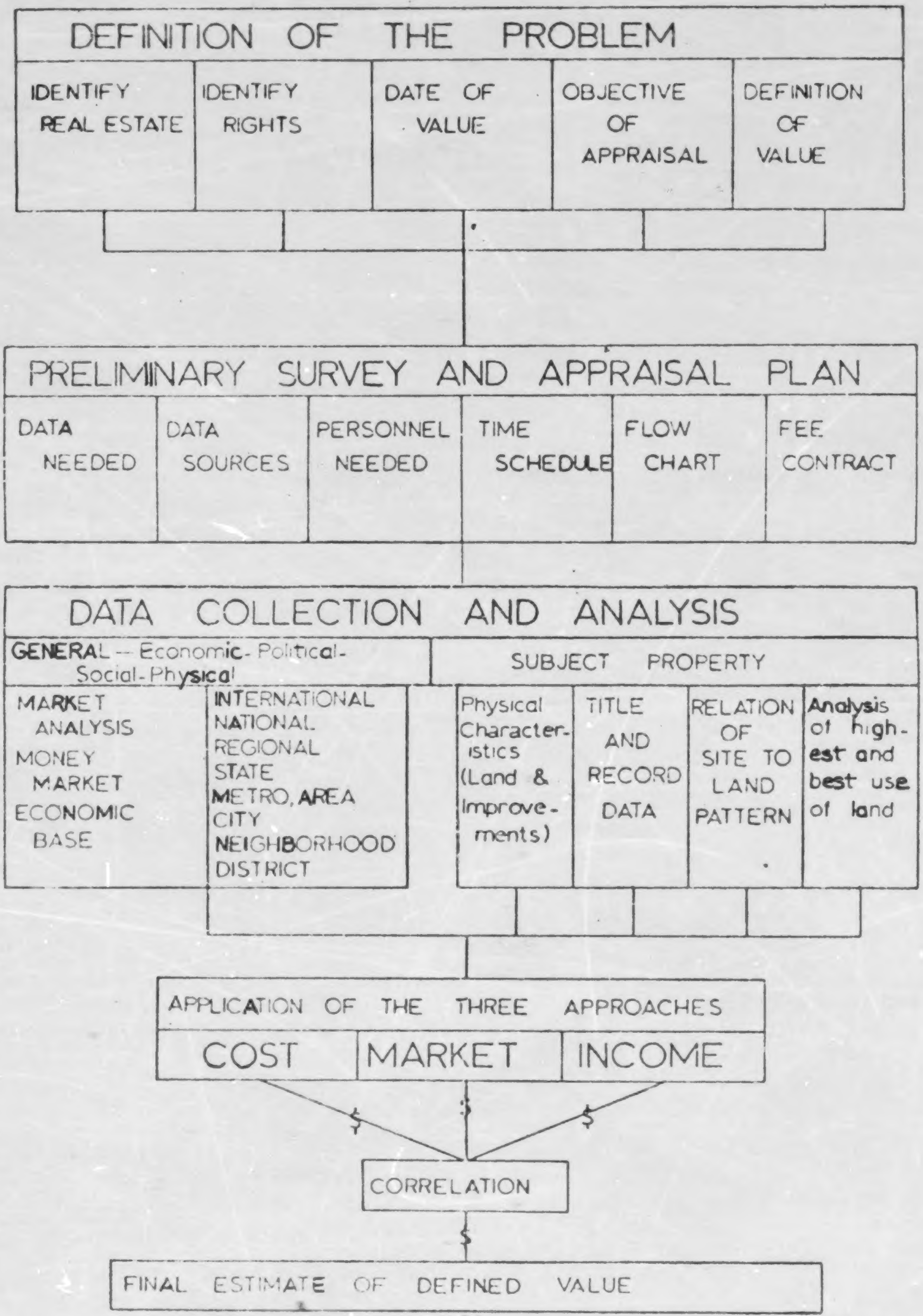
Local Boards of REALTORS

Mr. Jim Bichsel
Executive Vice President
North Carolina Association of REALTORS, Inc.
and
North Carolina Real Estate Educational Foundation, Inc.
P. O. Box 6306
Greensboro, North Carolina 27405
(919) 273-0504

Dr. Joseph F. Schweidler
Secretary-Treasurer
North Carolina Real Estate Licensing Board
813 BB&T Building
P. O. Box 266
Raleigh, North Carolina 27601

National Association of REALTORS
155 East Superior Street
Chicago, Illinois 60611

THE EXPANDED APPRAISAL PROCESS


DEFINITION OF THE PROBLEM
IDENTIFY REAL ESTATE
IDENTIFY RIGHTS
DATE OF VALUE
OBJECTIVE OF APPRAISAL
DEFINITION OF VALUE
PRELIMINARY SURVEY AND APPRAISAL PLAN
DATA NEEDED
DATA SOURCES
PERSONNEL NEEDED
TIME SCHEDULE
FLOW CHART
FEE CONTRACT
DATA COLLECTION AND ANALYSIS
GENERAL -- Economic- Political- Social- Physical
SUBJECT PROPERTY
MARKET ANALYSIS
MONEY MARKET
ECONOMIC BASE
INTERNATIONAL
NATIONAL
REGIONAL
STATE
METRO, AREA
CITY
NEIGHBORHOOD
DISTRICT
Physical Characteristics (Land & Improvements)
TITLE AND RECORD DATA
RELATION OF SITE TO LAND PATTERN
Analysis of highest and best use of land
APPLICATION OF THE THREE APPROACHES
COST
MARKET
INCOME
$
$
$
CORRELATION
$
FINAL ESTIMATE OF DEFINED VALUE

SYLLABUS FOR

HUMAN RELATIONS - REAL ESTATE

PSYCHOLOGY 214

These course outlines and related examples and excercises were developed by Dr. Eugene R. Watson, Associate Professor of Education, The University of North Carolina at Chapel Hill and Mr. H. R. Lumma, Instructor, Rockingham Community College at Wentworth, North Carolina, and have been used in teaching human relations at the REALTOR'S Institute, The University of North Carolina at Chapel Hill.

Appreciation is expressed to Dr. Watson and Mr. Lumma for their cooperation and assistance in developing and sharing these materials with the Department of Community Colleges.

While developing and looking for materials for a course in human relations we found a book that the psychology instructor may want to use for the real estate program:

Human Resources Development Manual
Developed by: Training Department
North Carolina Manpower Development Corporation
P. O. Box 1057
Chapel Hill, North Carolina 27514

Also, the Program Development Division, Department of Community Colleges will provide two outlines that may be used as resource materials:

PSY 1101 Human Relations (outline) March, 1967
Character Traits (to be used with PSY 1101 Human Relations)
December, 1970

DEVELOPING PERSONAL CAPACITY TO INFLUENCE AND HELP IN DECISION-MAKING

I. Objectives for the Participant

- A. To develop better understanding of possible changes in buyer needs in "crisis" times
- B. To develop increased skills in planning for influence and helping efforts
- C. To develop increased skills in goal setting
- D. To help develop some back-home plans

II. Prospective Buyer's Needs in "Crisis" Times

- A. Basic
- B. Safety
- C. Belonging
- D. Esteem or status
- E. Self-actualization

III. Analyzing Factors for Planning

IV. What Changes Mean for Influencing and Helping Relationships

V. The Spiro Model for Goal-Setting

- A. Specificity
- B. Performance
- C. Involvement
- D. Realism
- E. Observability

VI. Planning for Possible Back-Home Changes for 1974

DEVELOPING AND ASSESSING LEADERSHIP STYLES

I. Leadership as a Helping Relationship

II. The Helping Relationship in Decision-Making and Problem-Solving (A Group Involvement Exercise)

   A. The problem of identifying the important concerns people have
   B. Clarifying behaviors
      1. Giving information and opinion openly and clearly
      2. Asking helpful questions
      3. Feedback

III. The Levels of Behavior that Determine Effectiveness and Degree of Influence

   A. Behavior open to all
   B. Behavior that is known to others, but not to self
   C. Behavior that results from withholding information from others (hiding)

IV. Personal Assessment of Own Behavior, and Sharing in Groups

V. Analysis of Factors Involved in Influencing a Person to Take Action

   A. Forces for action
   B. Forces against action

LEADERSHIP AND MOTIVATION

I. Objectives for the Participant

- A. To be able to identify the best leadership style for different situations
- B. To be able to analyze his present leadership responsibilities and use of time in carrying out those responsibilities
- C. To increase his skill in planning for the future
- D. To increase his skill in dealing with others on the job

II. Outline

- A. Leadership styles: Telling, Testing, Consulting
- B. Leadership "Answer Box"
- C. Analysis of current leadership responsibilities
- D. Planning for future responsibilities
  - 1. Creative thinking
  - 2. Analysis of forces resisting change
- E. Analyzing problems with others on the job

DEVELOPING AND ASSESSING LEADERSHIP STYLES

I. The Case for a Range in Leadership Styles

   A. Leadership myths and mistakes
   B. Work efficiency and human development
   C. Acceptance and commitment to decisions
   D. Better decisions through better use of resources

II. Three Basic Styles of Leadership in Decision-Making

   A. Telling or selling (leader decides)
      1. Sources of information
      2. Degree of acceptance that is assured
   B. Testing (leader decides, with their help)
      1. Sharing of problem with relevant people
      2. Influence of subordinates on final decision
   C. Consulting (they decide, with leader's help)
      1. Full involvement of group
      2. Degree of commitment
      3. Development of subordinates

III. Looking at Leadership Styles in Specific Situations

   A. Case study in four-person groups
   B. Analysis of leadership behaviors from personal experience

THE SPIRO MODEL

FACTORS OF EFFECTIVE GOAL-SETTING: THE SPIRO MODEL

Personal growth goals and achievement goals in business are more useful and effective if they are made clear and direct rather than remaining covered up in one's behavior. Thinking which is directed toward goals is more effective than thinking which is random, jerky, or disjointed. Goal-directed behavior is more efficient and more effective than the behavior which is completely spontaneous, unplanned, and unorganized. The alternative to being goal-directed is to drift, to float, to achieve in a random manner. Establishing goals explicitly has a great deal of utility. For one thing, planning the next step is much easier if goals are attainable and have some directional quality to them. Having explicit goals also helps a person in developing a sense of accomplishment. Another benefit to objective goal-setting is that a person is far more likely to inventory the resources available to him and to utilize those resources, if his goals are clear. That is not to say that there is no room for good fortune and spontaneity in one's development. In fact, some of the most significant scientific achievements have been made by people who were working toward goals and discovered side effects that they were not looking for.

The purpose of this paper is to provide some factors for judging or evaluating statements of personal goals. Five factors will be discussed. These five, taken together, constitute the SPIRO model. The five are: Specificity, Performance, Involvement, Realism and Observability. Applying these five factors to personal goals can result in more effective goal-setting and more efficient planning.

Specificity. General goals are less useful than specific ones because the specific ones imply next steps or imply behaviors that need to be changed. An example of a non-specific goal would be, to improve my sales record next year. An example of a specific goal statement would be, to produce five percent more sales volume in the next year.

The second factor is Performance. "What will I be doing?" Performance-oriented goal statements are more effective in guiding what the person is going to do rather than some non-performance statements. An example of a non-performance goal would be, to gain the respect of fellow institute members. An example of a performance goal might be, to make at least one point in each institute meeting.

The third factor is Involvement; that is, the extent to which the person himself is involved in the objective. An example of a non-involving goal might be, to get the boss to accept criticism. An example of a goal that meets the test of involvement might be, to give negative feedback to the boss in private and to check whether he hears it accurately.

The fourth factor of effective goal-setting is Realism; that is, the attainability of the goal. An example of an unrealistic goal might be, to change the attitudes of prospective buyers to accepting minority group neighbors. An example of a realistic goal related to that concern might be, to acquaint them with the values and occupations of the possible minority group neighbors.

The fifth factor in the SPIRO model is Observability. This has to do with whether other people can see the result, whether it is obvious that the factor has been met, or whether the results are hidden. An example of a non-observable goal might be, to build more self-confidence. A corresponding goal that meets the standard of observability might be, to reduce the frequency with which I begin declarative statements with the phrase, "I quess".

Applying these five factors to one's own personal growth goals should result in greater understanding of where one is going. It helps if one's goals are made public, if one confides them to another person or publishes them in some way. To commit oneself publicly to growth goals is a way of using one's environment for support to try new behaviors. It is also helpful if goals are time-bound; that is, if there are some deadlines involved in the attainment of the objectives. It also helps if one's goals are planned in such a way that there is a good likelihood that there will be some reward from the environment for trying the attainment of that goal.

One idea related to goal-setting is contracting. One may write his personal goals, evaluate them himself, evaluate them with the help of another person, and develop a contract with the other person that by a certain time he will have accomplished his goal or a certain consequence will take place. For example, a salesman may contract with his wife that he will sell three houses in the next six weeks, and if he does not, she will mail his personal check for $50.00 to a competitor. That is a kind of avoidance training.

Goal-setting is a continuous activity and is a core behavior in a continuous stream of effort that is coming to be called, in the human potential movement, Life Planning. What happens in life planning is that a person stops every now and again to reassess his goals, to apply factors such as the SPIRO model to them, and to restate them as he improves in his understanding of himself. There are basically four core questions that are useful to ask oneself over and over again in life planning. One of those questions, which is perhaps the most difficult, is, "Who am I?" It sounds like a very simple question, but it is exceedingly complex and difficult to answer accurately. The second question, of almost equal importance, is, "What am I up to?" That is, what is going on with me right now, what am I trying to get done right now, and what are my motives right now? The third question is, "Where am I going?" That question relates directly to effective goal-setting. The fourth question, which perhaps overarches all the other three is, "What difference does it make, anyhow?" If one recycles these questions through his consciousness from time to time and applies hard standards to himself in terms of his personal objectives, his life management is much more likely to be effective and satisfying.

The motto of the State of South Carolina is a Latin phrase, "Dum spiro spero". Translated, this means, "While I breathe, I hope." Goals represent hopes while we're alive and being spirited, and those goals which are objective and explicit are more attainable and are more likely to help us realize our hopes than are those that are less obvious.

EXERCISES

A. Giving and Receiving Help

B. Diagnosing a Problem

C. Feedback and Disclosure

EXERCISE A

Giving and Receiving Help

This is an exercise on giving and receiving help. It is designed for four-member groups. Members are designate as O (observer), P (person with problem for discussion), Q (person giving help according to briefing suggestions), and R (person giving help according to briefing suggestions). P presents problem. R first tries to help. Q then tries to help. O observes reactions and feeds in observations. At the end all four discuss the experience.

Instructions to O (Observer)

1. Listen thoughtfully to problem as presented.
2. Observe (without comment) discussion between P and R. Note:
   a. What do you think were the unspoken feelings of each?
   b. How were proposals from R given and how received?
   c. What seemed to be helpful? Why? What did not seem helpful? Why?
3. Observe (without comment) discussion between P and Q. Note:
   a. What do you think were the unspoken feelings of each?
   b. How does Q's behavior differ from R's, and with what effect on P?
   c. What did Q do that seemed helpful? What did not seem productive?
4. Act as time keeper following this approximate schedule:
   a. A brief period of 2-3 minutes for P to organize his thoughts while Q and R read their briefings separately. Ask them not to disclose them to one another or to P.
   b. 10 minutes for P to explain his problem. Suggest that he take the full time.
   c. 10 minutes for R to discuss problem with P and try to help him.
   d. 10 minutes for Q to discuss problem with P and try to help him.
   e. 5 minutes for P to tell how he felt as R and Q helped him.
   f. 5 minutes for O to share his observations as suggested above.
   g. 10 minutes for the four to discuss the exercise.

Instructions to P (Person presenting problem)

Choose a problem on which you would like help - perhaps some aspect of problem you have written up. It should be important in your type of work and something you want to do something about. It should be important, but not too large in scope to be realistically discussed in a brief time. You will have about 10 minutes to tell about it and about 20 minutes to descuss it, 10 minutes each with two helpers.

Present problem during first period, then discuss freely with R, later with Q. Try to get help from each. Test out their suggestions and explore their ideas. Try to give them real understanding of your problem. Ignore observer and trainer.

Note your feelings as to whether they change during the discussions. Try to connect any changes with what R and Q say and do. After the discussion you will have about 5 minutes to tell the small group how you felt and what ideas you found helpful.

tear

Instructions to Q (Questioner) (Do not disclose briefings)

1. Listen thoughtfully to problem as presented.

2. Your task is, by raising questions, to help P diagnose his own difficulty. Refrain from giving any advise, making suggestions or citing any experience or your own or of others. Keep probing to help P bring out new aspects of problem. Keep responsibility for the answers on P. You will have succeeded if you enable him to redefine his problem, see new or different dimensions, see problem more clearly, recognize different factors from those he first presented. REMEMBER: Make no suggestions.

tear

Instructions to R (Recommender) (Do not disclose briefings)

1. Listen thoughtfully to problem as presented.

2. Respond with any of the following types of help.
   a. Recall and describe similar experiences you or someone you know had to deal with. Tell what you or he did to solve problem. If P doesn't seem to hear or to accept and you still see it as a good solution, try to explain further and more clearly. Try to help by explaining relevant experiences.
   b. Recommend, in order, steps you would take if you were in P's situation. If P doesn't accept these, make other proposals until you hit on something he finds helpful.

EXERCISE B

DIAGNOSING A PROBLEM*
(Force Field Analysis)

Purpose

To move from creative thinking to action and to learn to become more effective problem solvers, through application of logical processes and utilization of all available data. It serves as a good follow-up to a brainstorming session.

Procedure

1. Introduce the basic process and try a practice period, using a desired change goal. State both the goal and the problem situation to which it relates.

2. Draw this form on the board:

Problem Situation:

Goal (or proposed solution):

Forces for →	← Forces against

3. Explain the diagram and ask the combined groups to name the forces which go in either column. (You might explain the "forces against" as those which hamper the solution of the problem, and the "forces for" as those which would lessen or remove the problem.)

4. Discuss both lists with the groups. Have them determine which "forces for" can be strengthened and which "forces against" can be decreased. Circle those forces which seem to be the most important and those which the groups think can be researched and discussed in more depth.

5. Ask one or two group members to research each important force (consulting material and human resources) and to bring findings back to the next session to share with the group.

6. For each "force against" you have circled, list and document possible responses or action steps (behaviors) which might reduce the effect of the force or eliminate it completely. The groups should have a chance later to describe which are the most appropriate. List and document as many responses or action steps as possible which would increase the effect of each "force for".

*Adapted from NTL Classroom Exercise Package (1970).

7. Review the final list of response or action steps and discuss the desired goal in light of the new body of information.

EXERCISE C

JOHARI EXERCISE IN FEEDBACK AND DISCLOSURE

Self-Knowledge and Tally Sheet (This sheet will be yours to keep.)

Directions: In the space below under "OPEN" give examples of your open behavior with clients. Under "HIDDEN" give examples of your withholding behavior in dealing with clients. Under "BLIND" list those aspects of your behavior (verbal and non-verbal) on which you would like feedback.

Use this sheet to check feedback from other group members against your entries. It may provide leads for you to seek further information on your BLIND area in discussion groups coming up next.

OPEN	HIDDEN	BLIND

LEADERSHIP QUESTIONNAIRE

T-P LEADERSHIP QUESTIONNAIRE

Name ____________________

Group ____________________

The following items describe aspects of leadership behavior. Respond to each item according to the way you would be most likely to act if you were the leader of a work group. Circle whether you would be likely to behave in the described way always (A), frequently (F), occasionally (O), seldom (S), or never (N).

If I were the leader of a work group . . .

A F O S N 1. I would most likely act as the spokesman of the group.

A F O S N 2. I would encourage overtime work.

A F O S N 3. I would allow members complete freedom in their work.

A F O S N 4. I would encourage the use of uniform procedures.

A F O S N 5. I would permit the members to use their own judgment in solving problems.

A F O S N 6. I would stress being ahead of competing groups.

A F O S N 7. I would speak as a representative of the group.

A F O S N 8. I would needle members for greater effort.

A F O S N 9. I would try out my ideas in the group.

A F O S N 10. I would let the members do their work the way they think best.

A F O S N 11. I would be able to tolerate postponement and uncertainty.

A F O S N 12. I would speak for the group when visitors were present.

A F O S N 13. I would keep the work moving at a rapid pace.

A F O S N 14. I would turn the members loose on a job and let them go to it.

A F O S N 15. I would settle conflicts when they occur in the group.

A F O S N 16. I would get swamped by details.

A F O S N 17. I would represent the group at outside meetings.

A F O S N 18. I would be reluctant to allow the members any freedom of action.

A F O S N 19. I would decide what shall be done and how it shall be done.

A F O S N 20. I would let some members have authority which I should keep.

A F O S N 21. Things would usually turn out as I predict.

A F O S N 22. I would allow the group a high degree of initiative.

A F O S N 23. I would assign group members to particular tasks.

A F O S N 24. I would be willing to make changes.

A F O S N 25. I would trust the group members to exercise good judgment.

A F O S N 26. I would schedule the work to be done.

A F O S N 27. I would refuse to explain my actions.

A F O S N 28. I would permit the group to set its own pace.

A F O S N 29. I would act without consulting the group.

A F O S N 30. I would ask that group members follow standard rules and regulations.

T_____ P_____

BUSINESS 120

Accounting I*
(Introductory Accounting)

DESCRIPTION OF COURSE:

A beginning course in the basic principles and concepts of accounting. Emphasis is on business transactions and their effect on the accounting equation; debits and credits in double-entry accounting; selecting and recording financial data in journals and ledgers; preparing work sheets; balance sheets and income statements; and introduction to the basic concepts of internal control.

COURSE HOURS PER WEEK: Class, 3; Laboratory, 2.

QUARTER HOURS CREDIT: 4

PREREQUISITE: None

MAJOR DIVISIONS OF COURSE CONTENT:

I. Debits and credits

II. Journals and ledgers

III. End-of-period work (internally)

IV. Financial statements

V. Receivables and payables

VI. Inventories

VII. Deferrals and accruals

VIII. Plant assets and intangible assets

IX. Practice set

SUGGESTED TEXTBOOKS AND MATERIALS:

Accounting: A Learning Experience (ALEX). Englewood Cliffs, New Jersey: Prentice-Hall, Inc., 1973.

Niswonger, C. Rollin and Philip E. Fess. Accounting Principles. 11th ed. Cincinnati: South-Western Publishing Co., 1973.

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*This is an abstract of the Introductory Accounting syllabus. For a complete copy of the syllabus, write to Program Development Division, Department of Community Colleges, Education Building, Raleigh, NC 27611.

Niswonger, C. Rollin and Philip E. Fess. *Accounting Principles Working Papers: Chapters 1-14*. 11th ed. Cincinnati: South-Western Publishing Co., 1973.

Practice Set 1: Milwood Supply Co. Cincinnati: South-Western Publishing Co., 1973.

SUGGESTED REFERENCES:

Brock, Horace R. and others. *Accounting: Principles and Applications*. 3rd ed. New York: McGraw-Hill Book Co., 1974.

Carson, Alexander B, J. F. Sherwood and Clem Boling. *College Accounting*. 9th ed. Cincinnati: South-Western Publishing Co., 1972.

Johnson, Glenn L. and James A.Gentry, Jr. *Finney and Miller's Principles of Accounting: Introductory*. 7th ed. Englewood Cliffs, New Jersey: Prentice-Hall, Inc., 1970.

ECONOMICS 104*

Economics II

COURSE DESCRIPTION:

Greater depth in principles of economics, including a penetration into the composition and pricing of national output, distribution of income, international trade and finance, and current economic problems.

COURSE HOURS PER WEEK: Class, 3; Laboratory, 0.

QUARTER HOURS CREDIT: 3

PREREQUISITE: T-Economics 102

MAJOR DIVISIONS OF COURSE CONTENT:

I. Distribution of income

II. Population problems

III. Agricultural problems in relation to population and income

IV. Labor problems

V. Industrial concentration and governmental control

VI. Public utilities and governmental control

VII. International trade and finance

VIII. International economic problems

SUGGESTED TEXTBOOKS:

Hailstones, Thomas and Michael Brennan. Economics: An Analysis of Principles and Policies. Cincinnati: South-Western Publishing Co., 1970.

Hailstones, Thomas J., Basic Economics. 4th ed. Cincinnati: South-Western Publishing Co., 1972.

McConnell, Campbell R., Economics: Principles, Problems and Policies. 5th ed. New York: McGraw-Hill Book Co., 1972.

James, Clifford L., Principles of Economics. Rev. 9th ed. New York: Barnes and Noble, Inc., 1956.

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*This is an abstract of the Economics II syllabus. For a complete copy of the syllabus, write to Program Development Division, Department of Community Colleges, Education Building, Raleigh, North Carolina 27611.

SUGGESTED REFERENCES:

Economic Analysis. Washington, D. C.: Sterling Institute, Education Technology Center, 1971 (Interactive Self-Study - 6 volumes).

Hailstones, Thomas J., et al. Contemporary Economic Problems and Issues. 3rd ed. Cincinnati: South-Western Publishing Co., 1973.

Hailstones, Thomas J., Readings in Economics. 2nd ed. Cincinnati: South-Western Publishing Co., 1969.

Harriss, C. Lowell. American Economy: Principles, Practices and Policies. 6th ed. Homewood, Illinois: Richard D. Irwin, Inc., 1968.

James, Clifford L., Industrial Concentration and Tariffs. Reprint of 1940 ed. New York: AMS Press, Inc., 1940.

McConnell, C. R., Economic Issues: A Book of Readings. 4th ed. McGraw-Hill Book Co., 1972.

Samuelson, Paul A., Michael R. Elia and Jack R. Crutchfield, editors. Economics. 9th ed. New York: McGraw-Hill Book Co., 1973.

Samuelson, Paul A., et al. Readings in Economics. 6th ed. McGraw-Hill Book Co., 1970.

Smith, Augustus H., Economics for Our Times. 4th ed. New York: McGraw-Hill Book Co., 1966.

ENGLISH 102

Composition*

DESCRIPTION OF COURSE:

English Composition is designed to aid the student in improvement of self-expression by means of practical application in business and technical writing. Emphasis is on writing sentences, paragraphs and compositions.

COURSE HOURS PER WEEK: Class, 3; Laboratory, 0.

QUARTER HOURS CREDIT: 3.

PREREQUISITE: T-ENG 101.

MAJOR DIVISIONS OF COURSE CONTENT:

I. Using Words

II. Types of Sentences

III. Writing Sentences

IV. Writing Paragraphs

V. Types of Writing

VI. Organizing and Writing Papers

VII. Reading, Writing and Learning Exposition

SUGGESTED TEXTBOOKS:

Decker, Randall E. Patterns of Exposition. 2nd.ed. Boston: Little, Brown and Company, 1972.

Hall, Donald. Writing Well. Boston: Little, Brown and Company, 1973.

Martin, Elizabeth K. and C. Jeriel Howard. Technique: Studies in Composition. San Francisco: Canfield Press, 1972.

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*This is an abstract of the English Composition syllabus. For a complete copy, write to Program Development Division, Department of Community Colleges, Education Building, Raleigh, NC 27611.

THIRD QUARTER

SYLLABUS FOR
REAL ESTATE LAW
BUSINESS 164

This syllabus was developed by Stafford R. Peebles, Jr., Attorney at Law, Winston-Salem, North Carolina.

Special appreciation is expressed to Mr. Peebles for his time, cooperation and assistance in developing this syllabus.

BUSINESS 164

Real Estate Law

I. DESCRIPTION OF COURSE:

A survey course of real estate law including legal aspects of the sale, purchase, and management of real property. Special emphasis is placed on the legal steps required to handle a real estate transaction from the preparation of the listing contract to the closing of the sale.

II. COURSE OBJECTIVES:

Given the materials as presented in this course, the student will be able to recognize legal problems inherent in every real estate transaction and identify those problems which he as a salesman is capable of solving, those which must be referred to his Broker-Manager, and those which only a lawyer can competently solve.

III. COURSE OVERVIEW:

Unit I:	Historical Overview of Real Estate Law
Unit II:	Estates and Interests in Real Property
Unit III:	Limitations on Rights of Use and Enjoyment of Land
Unit IV:	Deeds
Unit V:	Recording and Constructive Notice
Unit VI:	Mortgages, Deeds of Trust, and Other Liens
Unit VII:	Function of Real Estate Brokers

IV. CREDITS, HOURS, PREREQUISITES:

A. Five (5) hours credit
B. Five (5) hours per week
C. Prerequisites: Fundamentals of Real Estate I & II

V. EVALUATION:

The evaluation is based on the completion of the stated objectives.

Real Estate Law

Syllabus for Business 164

Unit I. Historical Overview of Real Estate Law

Principal Objective: Given the materials as presented in this course, the student will be able to identify real estate and sources of law which limit an owners use of his real estate.

Objective	Content Outline	Activity Experience	Evaluation
A To introduce to student the historical derivation of N. C. real estate law.	A. Introduction of student to evolution of Real Estate Law 1. English Common Law (English Court Decisions) 2. Federal law 3. U. S. Constitution 4. N. C. Constitution 5. N. C. Legislative Acts 6. N. C. Common Law (N. C. Court Decisions)	A. Lecture/Discussion *Kratovial: pages 1-8	A. The student will be able to identify the various sources of Real Estate Law
B. To be able to identify incidents of real estate ownership and distinguish real estate and personal property.	B. Nature and classification of property 1. Land and its elements 2. "Bundle of Rights" 3. Fixtures	B. Lecture/Discussion Kratovil: pages 9-29 *Webster: pages 3-36	B. The student will be able to identify in class and in writing definition of "Bundle of Rights" and be able to distinguish examples of fixtures and non-fixtures

*Refer to bibliography for textbook reference.

Unit II. Estates and Interests in Real Property

Principal Objective: Given the materials as presented in this course, the student will be able to identify various types of ownership and interest in real estate and their distinguishing characteristics.

Objective	Content Outline	Activity Experience	Evaluation
A. To be able to understand and identify various interests in real estate	A. Introduction to estates of freehold and estates of less than freehold 1. Fee simple and qualified fee 2. Life estate 3. Courtesy and dower 4. Estates for years 5. Estates at will 6. Estates by sufferance	A. Lecture/Discussion Kratovil: pages 37-41, 179-187 Webster: pages 37-102 Cases in text shall be examined and analyzed for distinguishing characteristics of each type of ownership	A. Given a subjective test, student will be able to identify various interests in real estate and the characteristics of each
B. To be able to understand generally how interests in land are transferred on death of owner	B. Wills and descent 1. Testate 2. Intestate 3. Statute of intestate succession	B. Lecture/Discussion Kratovil: pages 188-192 Webster: pages 39-76 Clerk of Superior Court should be present at one class to briefly lecture on role of probate records in orderly transfer of real estate title	B. Given a subjective examination, student will be able to explain and identify what happens to the title to a parcel of real estate in hypothetical circumstances on the death of the owner with and without a will
C. To be able to identify incidents and merits of various modes of concurrent ownership of real estate	C. Modes of Concurrent Ownership 1. Joint tenancy 2. Tenancy in common 3. Tenancy by the entirety	C. Lecture/Discussion Kratovil: pages 164-178 Webster: pages 103-142	C. Given a subjective examination, student will be able to identify by example types of concurrent ownership and discuss the merits of each in various circumstances.

Unit III: Limitations on Rights of Use and Enjoyment of Land

Principal Objective: Given materials as presented in this course, the student will be able to discuss need for private and governmental limitations on an owners right to use his real estate any way he wishes.

Objective	Content Outline	Activity Experience	Evaluation
A. To be able to identify a valid right in the lands of others	A. Classification of easements 1. Affirmative or negative 2. Appurtenant or in gross 3. Express or implied	A. Lecture/Discussion Kratovil: pages 14-28, [illegible]93-314 Webster: pages 340-376, 431-469	A. Given an objective test, student will be able to identify a valid easement and state how created
B. To be able to discuss scope of rights of user of easement	B. Rights of users of easements 1. Expansion of easement by user 2. Transferability of easements 3. Termination of Easements 4. Servient owners right to use lands subject to easement	B. Lecture/Discussion	B. Given a hypothetical case, student will be able to identify and discuss use violations of the scope of an easement
C. To be able to discuss private and public restrictions on the use of land and the need for such restrictions	C. Land use restrictions 1. Subdivision restrictions 2. City planning and zoning	C. Lecture/Discussion City Manager or local chairman of city-county planning board will discuss importance of city planning and zoning	C. Given a hypothetical developing city, student will be able to list needed restrictions on land use and the reasons such restrictions are needed

Unit IV: Deeds

Principal Objectives: Given the materials as presented in this course, the student will be able to understand how transfer of real estate ownership is effected by deed and the requisites for a valid deed.

Objective	Content Outline	Activity Experience	Evaluation
A. To understand the general nature and use of a deed and requirements to effect a valid transfer of title	A. Deeds 1. Types of deeds a. Warranty b. Quitclaim 2. Requisites of a valid deed 3. Essential factors in deeds	A. Lecture/Discussion Kratovil: pages 29-36, 42-60 Webster: pages 157-216 Obtain a copy for each student of a warranty deed and Quitclaim from the Office of the Register of Deeds	A. Given a subjective examination, student will be able to identify types of deeds, requisites of a valid deed and essential factors in deeds.
B. To be able to identify problems which occur as a result of the nature of the parties to a deed	B. Parties to deeds 1. Requisites to be a grantor or grantee 2. Persons non compos mentis 3. Infants 4. Married women 5. Corporations 6. Partnerships 7. Aliens 8. Grants to persons en Ventre sa Mere 9. Grants to dead persons	B. Lecture/Discussion	B. Given a subjective examination, student will be able to identify problems with the parties to a deed and whether such party has capacity to effect a transfer of real estate by deed
C. To be able to identify a sufficient deed description of the real estate which is the subject matter of the deed and to understand the rules of construction in deciding ambiguities in a description	C. Deed descriptions 1. Monuments, courses and distances or metes and bounds 2. Rule of Construction in case of conflicts and ambiguities 3. "Intention of the parties" 4. Reference to plat or map 5. Reference to number of acres	C. Lecture/Discussion	C. Given a hypothetical case, student will identify ambiguous description of land and resolve the ambiguity by proper application of rules of construction and known facts as to intention of the parties
D. To be able to identify the requisites of the proper execution of a deed	D. Execution of a deed 1. Signing by grantor 2. Seal 3. Acknowledgements 4. Delivery 5. Acceptance 6. Revenue stamps	D. Lecture/Discussion Each student should be given an application to become a notary with instructions for obtaining the notary designation with emphasis on the importance of a notary's acknowledging only signatures of those who personally signed the deed in the presence of the notary	D. Given a hypothetical case, the student will be able to identify omissions from the proper execution of a deed

Unit V: Recording and Constructive Notice

Principal Objective: Given materials as presented in this course, the student will understand the importance of recording a deed in North Carolina and be able to identify the resulting constructive notice charged to each person who deals with a parcel of real estate.

Objective	Content Outline	Activity Experience	Evaluation
A. To learn the importance of recording	A. Recording 1. North Carolina's "Race" type recordation statute 2. Effect of failure to record as against Purchasers for Value and Lien Creditors (as between grantor and grantee)	A.-B. Lecture/Discussion Kratovil: pages 61-66, 147-154 Webster: pages 410-430 Entire class as a group should tour local Office of the Register of Deeds with tour directed by the elected official assisted by instructor	A.-B. Given a hypothetical case, student will be able to identify proper application of doctrine of constructive notice and determine priorities
B. To be able to identify proper application of doctrine of constructive notice	B. Constructive notice		

Unit VI: Mortgages, Deeds of Trust, and Other Liens

Principal Objective: Given materials as presented in this course, the student will be able to discuss generally the effect of real estate becoming security for a loan and will be able to identify factors considered by a mortgage banker in approving or rejecting a prospective home buyers' application for a loan.

Objective	Content Outline	Activity Experience	Evaluation
A. To be able to generally discuss how land becomes security for a real estate loan	A. Land and real estate loans 1. Nature and effect of mortgages and deeds of trust generally 2. Equity of redemption	A. Lecture/Discussion Kratovil: pages 203-259 Webster: pages 270-317, 489-504	A. Given a hypothetical case, student will be able to identify persons who have right to exercise equity of redemption and amount necessary to be paid for redemption of property from mortgage
B. To be able to identify rights and duties as between mortgagor and mortgagee	B. Rights and duties of mortgagor and mortgagee 1. Possession and use of mortgaged property generally 2. Duty to pay taxes 3. Right to insure 4. Mortgagors right to transfer interest in mortgaged property	B. Lecture/Discussion	B. Given a hypothetical case, student will be able to identify rights and duties as between mortgagor and mortgagee
C. To be able to discuss nature of mortgagee's right to foreclose and effect thereof	C. Mortgagee's right to foreclose 1. When right to foreclose accrues 2. Acceleration clause 3. Deficiency judgment	C. Lecture/Discussion	C. Given a hypothetical case, student will be able to identify when right to foreclose accrues and affect of acceleration clause and right of mortgagee to a deficiency judgment
D. To be able to identify factors considered for loan approval by a mortgage banker	D. Loan factors 1. Income (past and potential) 2. Debts 3. Credit history 4. Discriminatory consideration of income of female	D. Lecture/Discussion Led by local mortgage banker with time for questions and answers	D. Given a hypothetical loan application, the student will be able to approve or reject and support decision with reasons

Unit VII: Function of Real Estate Brokers

Principal Objective: Given materials as presented in this course, the student will be able to discuss the role of the broker in real estate transactions and identify limitations of his capability to properly act for the benefit of his client.

Objective	Content Outline	Activity Experience	Evaluation
A. To be able to list license requirements and distinguish between broker and salesman	A. Real estate license 1. Time and place of testing 2. Type of test 3. Broker/Salesman distinction	A. Lecture/Discussion Kratovil: pages 67-139 Webster: pages 143-156	A. Given a subjective test, the student will be able to discuss license requirements and distinction between a broker and a salesman
B. To be able to identify essential elements for a valid contract for the sale of land and a valid listing contract.	B. Contracts 1. Statute of frauds 2. Sufficiency of the writing 3. Signature requirement 4. Description of the land 5. Terms and conditions 6. Doctrine of part performance 7. Real estate brokers contracts not within statute of frauds	B. Lecture/Discussion Guest real estate broker will discuss role of broker in real estate transactions. Each student will be given a copy of form "Offer to Purchase" printed by North Carolina Board of REALTORS	B. Given a hypothetical contract for sale of land, the student will be able to identify deficiencies and discuss reasons for their requirement
C. To be able to identify factors to be considered before "Closing the Sale" of a parcel of real estate	C. Closing the sale 1. Title search 2. Survey 3. Title insurance 4. Pro-ration of taxes	C. Lecture/Discussion Guest real estate lawyer will discuss title search and the real estate closing	C. Given a subjective test, the student will be able to identify factors to be considered prior to closing the sale of a parcel of real estate and discuss the importance of each

BIBLIOGRAPHY

1. Books

Textbooks: Kratovil, Robert. Real Estate Law. 5th ed. Englewood Cliffs, New Jersey: Prentice-Hall, Inc., 1969.

Webster, Jr., James A., Real Estate Law in North Carolina. Charlottesville, Virginia: The Michie Co., 1971.

Bowman, Arthur G., A Student Workbook for Legal Aspects of Real Estate. Rev. ed. California: Department of Real Estate 1970.

Bowman, Arthur G., Legal Aspects of Real Estate: A Teacher's Guide. Rev. ed. California: Department of Real Estate, 1970.

Hebard, Edna L. and Gerald S. Meisel. Cases and Problem Analysis in Real Estate Law. Cambridge, Massachusetts: Schenkman Publishing Company, Inc., 1967.

Lusk, Harold F., Law of the Real Estate Business. Rev. ed. Homewood, Illinois: Richard D. Irwin, Inc., 1965.

Webster, Jr., James A., North Carolina Real Estate for Brokers and Salesmen. Englewood Cliffs, New Jersey: Prentice-Hall, Inc., 1974.

2. Periodicals and Pamphlets

North Carolina Real Estate Licensing Law. (1971)

3. Audiovisual Aids

Instructors are encouraged to produce transparencies and slides as appropriate for each topic. Work with local real estate board, lawyers specializing in real estate and related agencies in obtaining slides or other visuals that may be available.

4. Other Sources

Local Board of REALTORS

Mr. Jim Bichsel
Executive Vice President
North Carolina Association of REALTORS, Inc.
and
North Carolina Real Estate Educational Foundation, Inc.
P. O. Box 6306
Greensboro, North Carolina 27405
(919) 273-0504

Mr. Joseph F. Schweidler
Secretary-Treasurer
North Carolina Real Estate Licensing Board
813 BB&T Building
P. O. Box 266
Raleigh, North Carolina 27601
(919) 833-2771

National Association of REALTORS
155 East Superior Street
Chicago, Illinois 60611

SYLLABUS FOR
ARCHITECTURAL MATERIALS AND METHODS I
CIVIL ENGINEERING 105

This course outline for CIV 105, Architectural Materials and Methods I, with the addition of Fundamentals of Construction materials developed by Leonard Craver for the North Carolina REALTOR'S Institute will be used for teaching the basics of construction in this program.

Appreciation is expressed to Mr. Craver for providing his outline on Fundamentals of Construction to the Department of Community Colleges.

CIVIL ENGINEERING 105

Architectural Materials and Methods I*

COURSE DESCRIPTION:

General broad base study of basic materials and methods used in the construction of architectural structures will be studied. Field trips to construction sites and study of light construction and construction techniques are included.

COURSE HOURS PER WEEK: Class, 3; Laboratory, 3.

QUARTER HOURS CREDIT: 4

PREREQUISITE: None

MAJOR DIVISIONS OF COURSE CONTENT:

I. Concrete, stone and masonry construction

II. Conventional wood frame construction

III. Wood trusses

IV. Plank and beam frame construction

V. Brick and stone veneer construction

VI. Solid masonry and cavity wall construction

VII. Steel and concrete joists

VIII. Roof types

IX. Roof coverings

X. Exterior finish materials

XI. Insulation, vapor barriers, and ventilation of frame structures

XII. Finish materials

XIII. Windows and doors

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*This is an abstract of the Architectural Materials and Methods I syllabus. For a complete copy, write to Program Development Division, Department of Community Colleges, Education Building, Raleigh, NC 27611.

SUGGESTED TEXTBOOK:

Muller, Edward J., Architectural Drawing and Light Construction. Englewood Cliffs, New Jersey: Prentice-Hall, Inc., 1967.

SUGGESTED REFERENCES:

Halperin, Don A., Buidling With Steel. Chicago: American Technical Society, 1960.

Homes, Burton H., Materials and Methods of Architecture. New York: Reinhold Publishing Company Book Division, 1954.

Huntington, Whitley C., Materials and Types of Construction. 3rd ed. New York: John Wiley & Sons, Inc., 1964.

Merritt, Frederick S., Building Construction Handbook. New York: McGraw-Hill Book Company, Inc., 1958.

Parker, Harry E., Gay, Charles Merrick, and John W. MacGuire. Materials and Methods of Architectural Construction. 3rd ed. New York: John Wiley & Sons, Inc., 1958.

Ramsey, Charles G., and Harold R. Sleeper. Architectural Graphic Standards. 5th ed. New York: John Wiley & Sons, Inc., 1956.

Smith, R. C., Materials of Construction. New York: McGraw-Hill Book Company, Inc., 1966.

Specifications of a sizable project from any good architectural firm.

Sweet's File

Uniform System for Construction Specifications, Data Filing, and Cost Accounting

FUNDAMENTALS OF CONSTRUCTION
North Carolina Realtors' Institute
Course A

I. INTRODUCTION

A. Objectives of building

To provide for healthful environment and complete living facilities arranged and equipped to assure suitable and desirable living conditions commensurate with the type and quality of the property under consideration.

B. Types of buildings - Residential

1. Masonry
2. Frame
3. Post and Beam

C. Scope of course

1. To assist in appraising, listing, and selling.

II. THE SITE

A. Topography

1. Contour lines
2. Elevation

B. Size of site

1. Convenient access to and circulation around dwelling
2. Adequate natural light and ventilation
3. Reasonable privacy
4. Adequacy for individual wells and septic systems

C. Building Codes

1. State, local, financial institutions

D. Zoning

1. Lot sizes and set backs

E. Deed restrictions

1. Use, building size, set backs, easements

F. Utilities

1. Gas, water, lights, and sewer

G. Financing influence

H. Locating house on site

1. Property lines

2. Set back

3. Level

4. Batter boards

III. FOOTINGS

A. Objective

1. To support the total design load without excessive differential settlement - Piedmont - usually 4'' beyond foundation wall on either side.

B. Depth and Width

C. Placement

1. Stepped wall footings

2. Reinforced

D. Materials

1. Concrete composition - a mixture of cement, sand and gravel with water, 1 - 2 - 4.

IV. FOUNDATIONS

A. Objective - To provide foundation construction which assures safe and adequate support of all vertical and lateral design loads.

B. Materials Used

1. Masonry, brick, stone, structural clay tile, concrete

C. Thickness

1. Minimum not less than that of the wall supported

2. That required to resist lateral pressure from adjacent earth and to support the designed load.

D. Construction

1. Top course capping

2. Joints average ½'' – no more than ¾''

3. Bonding

4. Reinforcing

5. Pier and Piling construction

6. Pilasters - under girders

E. Termite Protection

1. Chemical barriers
   a. Soil treatment
   b. Pressure treated wood
2. Physical Barriers
   a. Metal shields
   b. Concrete foundation
   c. Monolithic concrete slab
   d. Reinforced concrete foundation cap
3. Protective Measures
   a. Clean up and remove all wood from site
   b. Separate or protect - porches, etc. from main structure
   c. Use chemicals when physical barrier is difficult ie. slab, split levels
   d. Chemical treatment removed from wells, septic, or other sources of water and sewer.

F. Ventilation

A. Object is to minimize the effect of conditions conducive to decay and deterioration of the structure.

G. Waterproofing

1. 3/8'' cement parging
2. 2 coats bituminous dampproofing
3. Foundation drains
4. Crushed stone

V. FRAMING

A. Floors

1. Objective - to provide floor construction which will assure safe and adequate support of all design loads and to eliminate objectional vibration.
2. Component parts-Sub-sill, sill headers, trimmers, joist, bridging, ledgers
3. Size dependent on specie of wood, grade, length of span, spacing, designed load
4. Joist Framing

a. Into side of wood girder or beam

b. Into side of steel beam

c. Into masonry

d. Onto exterior wood sills

e. Over girders and bearing partitions

f. Double joist

g. Bridging-cross or block

5. Subflooring

a. Plank flooring

b. Plywood

B. Walls Framing

1. Exterior walls include studs, corner post, headers, plates, bracing, sheathing

2. Post and Beam

3. Sheathing

a. Materials used: Plywood, Fiberboard, Gypsum, Wood

C. Ceiling Framing

1. Joist - Size, spacing, fastening, no attic storage, limited attic storage, no storage, blocking or nailers

D. Roof Framing - Rafters, ridge board, collar beam, purlin brace, hip and valley rafters, truss rafters, roof beams, gussets

E. Size of Rafters - Species of wood, grade of wood, low slope, or over 3 in 12, light and heavy (load) spacing, span.

F. Sheathing - Wood boards, plywood, plank deck, fiberboard

G. Roof Types - Gable, Hip, Gambrel, Mansard, Flat

VI. CHIMNEYS AND FIREPLACES - Safe, durable, smoke tight, and capable of withstanding action of flue gasses.

A. Material

1. Brick, concrete brick, solid masonry, steel, factory built

B. Each fireplace shall be vented by a separate chimney (flue)

C. Height of chimney

1. Masonry and factory built 2' above roof or ridge if within 10'

D. Area

1. 1/10 of area of fireplace opening for chimney 15' and over

2. 1/8 of area of fireplace opening under 15'

E. Flue lining

F. Construction

1. Foundation - Concrete masonry

2. Thickness - Minimum 4"

3. Spacing - Framing members -2", -Subfloor - ¾" airspace

4. Thimble

5. Clean out door and ash dump

6. Chimney cap

G. Fireplaces - Outer hearth, inner hearth, facing, firebrick lining, throat, damper, smoke chamber, flue liner, trimmer board for mantle

1. Sizes - determine from table 20" deep - 30" high x width

VII. EXTERIOR FINISHES

A. Objective - To prevent entrance or penetration of moisture and weather; to prevent damage by decay, corrosion, and insects; and to provide reasonable durability and economy of maintenance.

B. Walls

1. Sheathing paper

2. Flashing

3. Wood Siding

a. Bevel, drop, shiplap, board and batten

4. Wood shingles and shakes

5. Asbestos shingles

6. Plywood

7. Hardboard

8. Stucco

9. Aluminum

10. Asphalt insulating siding

11. Masonry - quoins

C. Roof

1. Underlay - 15 lb. asphalt saturated felt
2. Flashing
3. Asphalt shingles
4. Wood shingles and shakes
5. Asbestos - cement
6. Slate - tile
7. Built-up roofing
8. Projection
    a. Eaves, rake, soffits, gutter boards, fascia boards

VIII. INSULATION

A. Purpose - control moisture, heat, sound

B. Types - contributing materials

1. Walls - siding, sheathing, sheathing paper, inside finish
2. Vapor barrier on insulation
3. Materials used:
    a. Fiber insulation board
    b. Wood Fiber
    c. Mineral wool
    d. Vegetable fiber
    e. Vermiculite
    f. Cellular glass
    g. Reflective types - aluminum

C. Installation - vapor barriers

IX. VENTILATION AND LIGHT

A. Objective - a healthful environment within the dwelling and so located as to provide an acceptable degree of comfort

B. Sources - windows, doors, translucent panels, skylights, fans, ducts, electrical apparatus.

C. Habitable rooms

1. Natural light - glass area 10% of floor area
2. Ventilation 4% of room area

D. Laundry, Utility and Storage Rooms, Bath and Toilet rooms, Basement, Heater rooms and closets

X. PLUMBING

A. Framing Provisions

1. Wood floors - concrete slab

B. Sewer Systems

1. Pipe sizes, vents, pipe materials, shower pans, septic systems

C. Water Systems

1. Pipe sizes, pipe materials, wells, pumps, storage tanks, hot water heater, safety devices, shut off valves, sill faucets

D. Fixtures

1. Minimum requirements - water closet, lavatory, bathtub, kitchen sink and laundry tray or clothes washer plumbing
2. Materials - cast iron, pressed steel, china, fiberglass, molded plastic, and formed marble
3. Baths equipped with grab and soap dish at tub, soap dish at lavatory, towel bar, mirror and medicine chest

XI. ELECTRICAL

A. Service panels: 60–100–200A

1. Fuse box - circuit breaker

B. Outlets: ceiling and wall switches

C. Convenience outlets - wall space no more than 6' from outlet average every 12'

1. Heavy duty - kitchen, laundry, bath areas - air conditioners, etc., grounding type

D. Switches - Locations: doors, baths, etc. - manual silent

1. Types - low voltage - dimmers

E. Fixtures

1. Weight, paint finish, quality ratings, wattage, interior or exterior designs

XII. HEAT

A. Type of system

1. Convection, radiation, conduction

B. Distribution

1. Electric baseboard, ceiling, and floor radiant hot air ducts and returns, water pipes, steam pipes, registers, radiator

C. Fuels

1. Electric, gas, oil, coal, etc.

D. Controls

1. Electrical fuse or circuit breaker thermostats, sizing of register or units (baseboards)

E. Safety - Stack, fuel - electrical

F. Size of Furnace - B. T. U. ratings

XIII. INTERIOR FINISH

A. Purpose

1. Suitable base for decorative finish clean and prime

2. Waterproof in spaces subject to moisture

3. Durability and economy

B. Materials - Walls and ceilings

1. Lath and plaster

2. Gypsum drywall

3. Plywood

4. Hardboard

5. Fiberboard

6. Wood paneling

7. Ceramic tile

8. Metal and plastic tiles

C. Materials - Finish Floors

1. Kitchen and baths - durable, waterproof asphalt, ceramic, linoleum, rubber, terrazzo, vinyl-asbestos, vinyl plastic

2. Concrete floors

a. Suitable for some habitable rooms

3. Wood strip and block

4. Carpet

XIV. INTERIOR TRIM

- A. Windows
  - 1. Wood, steel, aluminum, bronze
  - 2. Weatherstripping, screening, storm sash
  - 3. sill, stool, apron, frame, sash, mullions, muntin
  - 4. Double hung, casement, awning, hopper, picture or fixed
  - 5. Casing
- B. Doors
  - 1. Wood - panel or flush
  - 2. Trim - casing, stop, frame
  - 3. Locks and hinges
- C. Kitchen Cabinets
  - 1. Wood and steel
  - 2. Check points - hardware, drawer guides, construction, height, number
  - 3. Cabinet tops
- D. Other Trim
  - 1. Construction - set and putty nails, free of tool marks
  - 2. Cornice, picture mold, chair rail, wainscote, base
  - 3. Stairs - carriage or stringer, tread, riser

XV. PAINTING AND DECORATING

- A. Objective
  - 1. Adequate resistance to weather
  - 2. Protection from damage by corrosion
  - 3. Reasonable durability and economy of maintenance
  - 4. Attractive appearance
- B. Material
  - 1. Designed for specific use
  - 2. Application and precautions

a. Thinning, dew or frost, humidity, temperature, clean surfaces, number of coats, treatment of knots, nail holes - cracks, prime coats, finish coats, top and bottoms of doors and windows, special consideration for metals and masonry

3. Interior applications

   a. Plaster, gypsum board, masonry

   b. Millwork and trim - fill or seal to prevent grain raising, prime surfaces, paint tops and bottoms of doors

   c. Kitchen and bathrooms - waterproof finish

   d. Natural finishes

   e. Wallpaper

XVI. WATER CONTROL

A. Gutters and Dwonspouts

1. Necessary when overhangs are small
2. If not used, install diverter to prevent water from uncovered entrances
3. Materials - wood or metal
4. Splash blocks and underground drains

B. Lot Grading

1. Objective

   a. Divert water away from building

   b. Prevent standing water and soil saturation

   c. Provide for disposal of water from lot

   d. Preserve desirable site features

   e. Provide grades for safe and convenient access to and around buildings and lot for their use and convenience

2. Storm water disposal

   a. Swales, gutters, catch basins

3. Rough and Finish grading

   a. Fills

   b. Lot size

   c. Favorable weather

   d. Seeding

C. Walks and Drives

1. Location and size
2. Materials used
3. Grade

XVII. PORCHES, TERRACES, GARAGES, CARPORTS

A. Construction Features

B. Location

C. Protection: railings, steps

XVIII. QUALITY CONSIDERATION

A. Cost vs. Value
B. Recognition of quality by buyers, Realtor, lenders

C. Hidden value - Quality vs. Cost

D. Quality in design

XIX. ARCHITECTURAL CONSIDERATIONS

A. Functional utility in use of space, floor planning, accessories, and materials

B. Style - Exterior and interior designs, curb appeal

C. Cost

XX. METHOD OF ON-SITE CONSTRUCTION

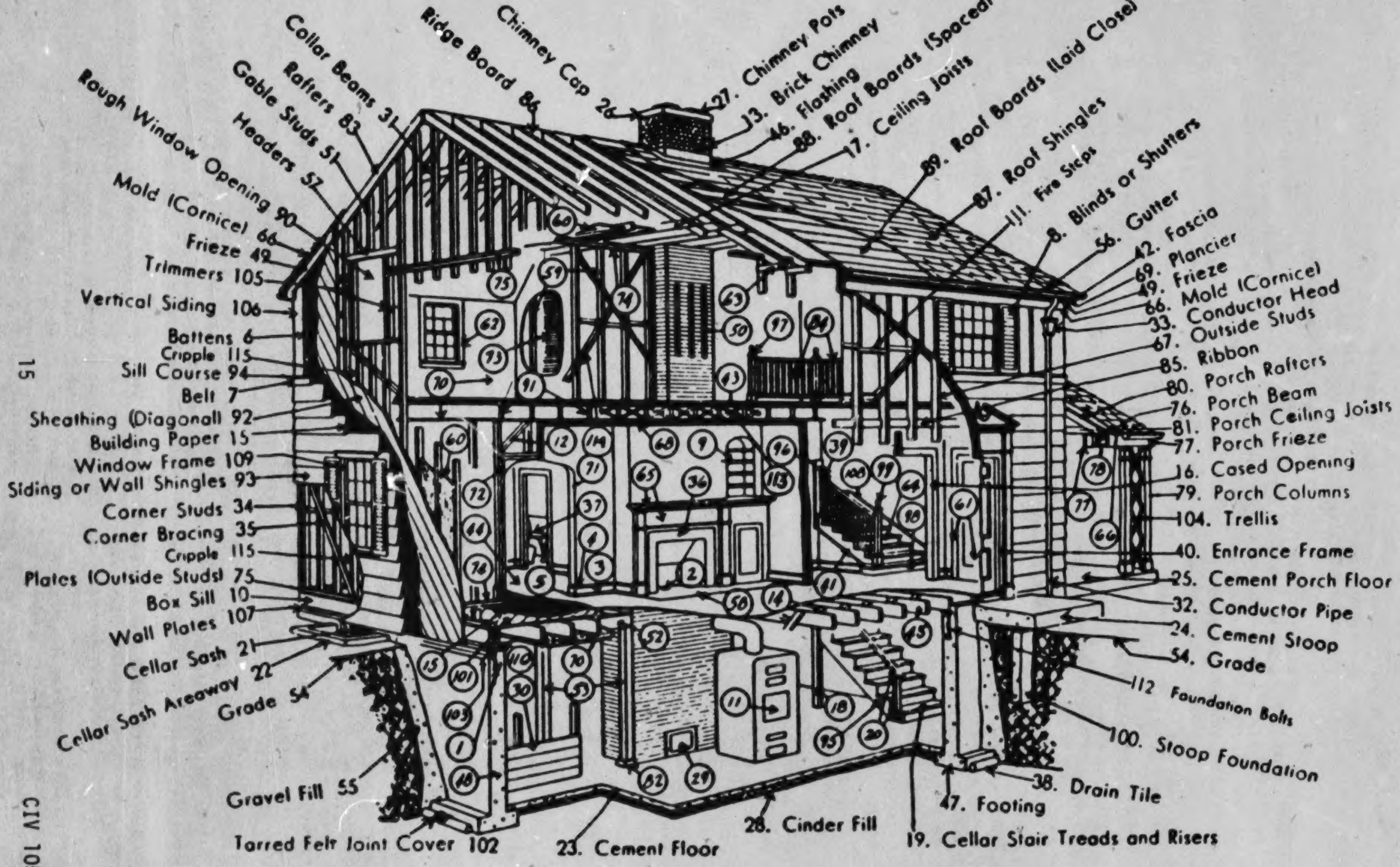
A. Stick builder

B. Pre-cut homes

C. Pre-assembled

D. Pre-fabricated

E. Modular



Collar Beams 31
Rafters 83
Gable Studs 51
Headers 52
Rough Window Opening 90
Mold (Cornice) 66
Frieze 49
Trimmers 105
Vertical Siding 106
Battens 6
Cripple 115
Sill Course 94
Belt 7
Sheathing (Diagonal) 92
Building Paper 15
Window Frame 109
Siding or Wall Shingles 93
Corner Studs 34
Corner Bracing 35
Cripple 115
Plates (Outside Studs) 75
Box Sill 10
Wall Plates 107
Cellar Sash 21
Cellar Sash Areaway 22
Grade 54
Gravel Fill 55
Tarred Felt Joint Cover 102
23. Cement Floor
28. Cinder Fill
19. Cellar Stair Treads and Risers
47. Footing
38. Drain Tile
100. Stoop Foundation
112 Foundation Bolts
54. Grade
24. Cement Stoop
32. Conductor Pipe
25. Cement Porch Floor
40. Entrance Frame
104. Trellis
79. Porch Columns
16. Cased Opening
77. Porch Frieze
81. Porch Ceiling Joists
76. Porch Beam
80. Porch Rafters
85. Ribbon
67. Outside Studs
33. Conductor Head
66. Mold (Cornice)
49. Frieze
69. Plancier
42. Fascia
56. Gutter
8. Blinds or Shutters
111. Fire Stops
87. Roof Shingles
89. Roof Boards (Laid Close)
17. Ceiling Joists
88. Roof Boards (Spaced)
46. Flashing
13. Brick Chimney
27. Chimney Pots
Chimney Cap 26
Ridge Board 86

1. Anchor Bolt—A bolt usually 12 inches or longer which when imbedded in the foundation wall at intervals serves to anchor the building to the foundation.

2. Ash Dump—An opening in the fire place floor usually placed at the rear through which ashes are conveyed to the basement or outside.

3. Base—A Wood member carried around the walls of a room and touching the floor.

4. Base Mold—Moulding applied at top of base.

5. Base Shoe—Moulding applied at junction of base and floor.

9. Book Shelves—A group of shelves for storing books.

11. Boiler—A heating plant used to generate steam or hot water.

12. Bracing—Wood structural member installed to provide rigidity.

14. Bridging—Wood members used to brace floor joists.

15. Building Paper—Heavy water-proofed paper used over wall sheathing to provide insulation.

18. Cellar Stair Post—Post installed in cellar to support basement stair platform.

20. Cellar Stair Rail and Post—Handrail for basement stairs and post to support handrail.

29. Cleanout Door—Cast iron door provided at bottom of chimney for removing soot and debris in chimney stack.

30. Coal Bin Partition—Partition forming one side of coal bin.

36. Damper Control—Built in cast iron plate to regulate draft in fire place.

37. Dining Nook—A small area used for eating purposes.

39. Easing—A ramp in stair handrail.

41. Face String and Face Mold—An exposed moulded wood member supporting stairs and stair railing.

43. Finish Floor 1 Inch x 2 Inch Strips—Applied over wood joists deadening felt, and diagonal subfloor, before finish flooring is installed.

44. Finish Floor—Final covering on floor, wood, linoleum, and carpet.

45. First Floor Joists—Wood structural members supporting first floor.

48. Foundation Wall—Masonry wall below ground supporting building.

50. Furring Strips—Wood strips nailed on masonry walls to which lath and plaster are applied.

52. Girder—A heavy wood or steel structural member supporting joists, beams, partitions or other structural members.

53. Girder Post—Also called column. A post supporting a girder.

58. Hearth—The floor of a fireplace.

59. Inside Studs—Upright member of wood partition to which lath and plaster are applied.

60. Insulation—A heat retarding material applied in outside walls, top-floor ceiling or in roof to prevent passage of heat or cold in or out of building.

61. Interior Doors and Trim—Doors, and finishing mouldings around door opening on inside of building.

62. Interior Window Trim—Finishing mouldings used around window opening on inside of building.

63. Lookouts—Horizontal wood members nailed to exterior wall upright and to roof rafters to provide extensions of roof beyond wall line.

64. Main Stair Treads and Risers—Tread—horizontal member which is stepped on. Riser—vertical member supporting the tread.

65. Mantle, Shelf and Trim—Finished wood covering around fire-place opening.

66. Mold (Cornice)—Wood moulding applied to cover junction of roof boards and outside wall.

68. Picture Mold—Wood moulding applied at junction of wall and ceiling. Occasionally used for hanging pictures.

70. Plaster—A pasty material hardening on drying, used for coating walls, ceilings and partitions.

71. Plaster Arch—An opening with a curved head formed in plaster.

72. Plaster Arch Brackets—Wood pattern cut to form curve of plaster arch, and to which lath and plaster are applied.

73. Plaster Base—Also called lath—a wood, metal or gypsum material, nailed to wall and ceilings and to which plaster is applied.

74. Plates (Inside Studs)—Horizontal wood members nailed at bottom and top of partition uprights.

75. Plates (Outside Studs)—Horizontal wood members bolted to foundation wall and to which exterior wall uprights are nailed.

77. Porch Frieze—Horizontal finishing member above porch columns and extending to roof boards.

78. Porch Soffit—Underside of porch frieze.

82. Post Base Blocks (Precast Cement)—Foundation for girder post.

84. Rails and Balusters—Handrails and vertical members of stair railing.

91. Second Floor Joists—Structural members supporting second floor.

95. Stair Carriage—A wood member to which the treads and risers of a stairway are nailed.

96. Stair Partition Casing—A finished wood member used at junction of stair railing and partition.

97. Stair Landing Newel—Wood post into which stair railing abuts.

98. Starting Tread and Riser—The first step of an ascending stairway.

99. Starting Newel—Wood post at start of wood railing of ascending stairway.

101. Sub-Floor (Diagonal)—Floor which is laid in a diagonal fashion over the floor joists.

103. Termite Shield—A metal protective shield applied on top of the foundation wall to prevent subterranean termites from attacking the structural wood members supporting the building.

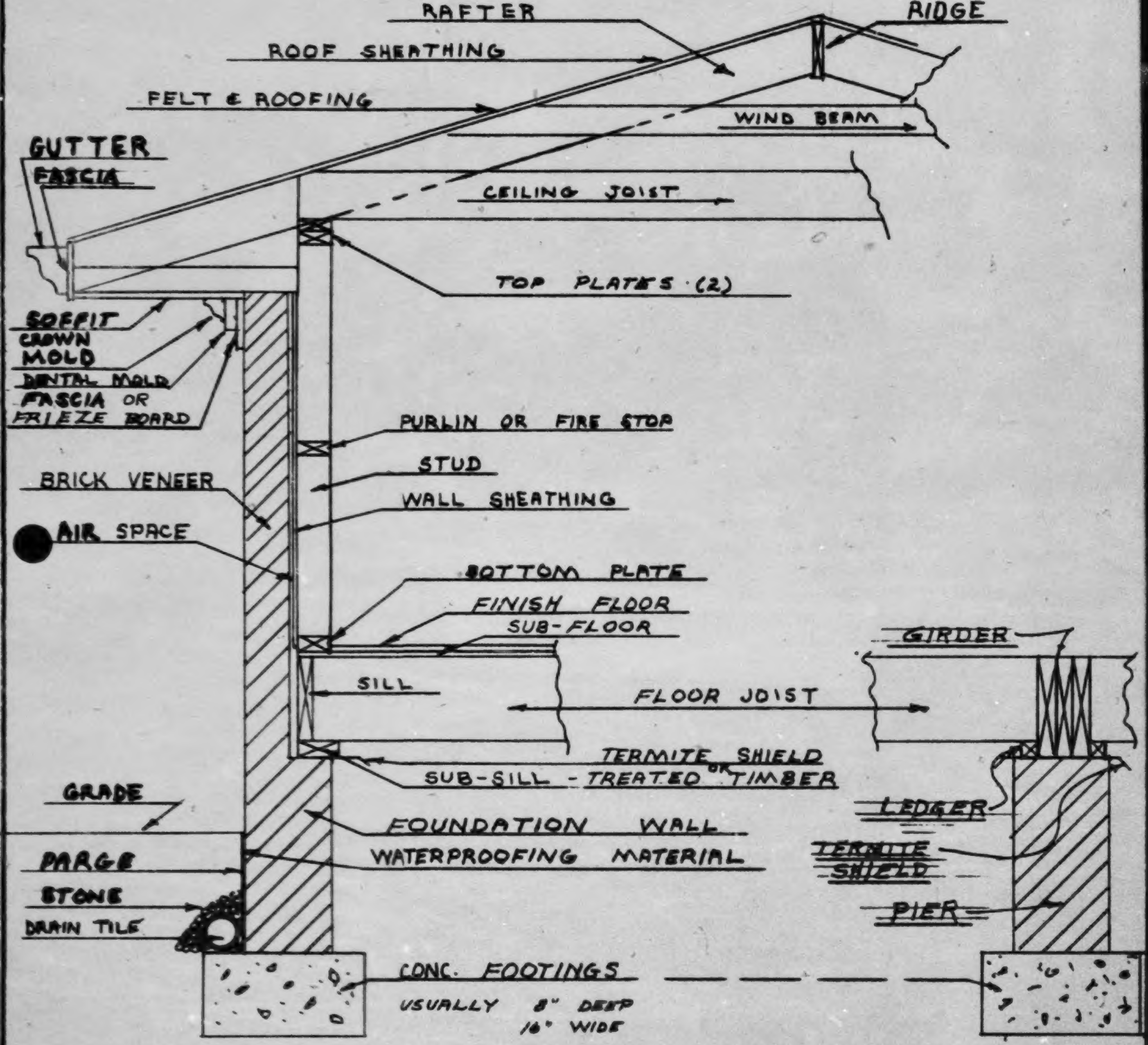
108. Wall Stringer—Wood member secured to wall and which supports treads and risers of stairway.

110. Mud Sill—The lowest sill of a house.

113. Cross Bridging—Cross-bracing between floor joists to provide rigidity.

114. X-Bracing—Cross-bracing in a partition to provide rigidity.

Definitions compiled by Alexander & Brandt, Architects, Chicago, Illinois.


RAFTER
RIDGE
ROOF SHEATHING
FELT & ROOFING
WIND BEAM
GUTTER
FASCIA
CEILING JOIST
TOP PLATES (2)
SOFFIT
CROWN MOLD
DENTAL MOLD
FASCIA OR FRIEZE BOARD
PURLIN OR FIRE STOP
STUD
BRICK VENEER
WALL SHEATHING
AIR SPACE
BOTTOM PLATE
FINISH FLOOR
SUB-FLOOR
GIRDER
SILL
FLOOR JOIST
TERMITE SHIELD
SUB-SILL - TREATED OR TIMBER
GRADE
LEDGER
FOUNDATION WALL
PARGE
WATERPROOFING MATERIAL
TERMITE SHIELD
STONE
PIER
DRAIN TILE
CONC. FOOTINGS
USUALLY 8" DEEP
16" WIDE

LEONARD CRAVER REALTY CO.
155 W. CENTER ST. CIV 105
LEXINGTON, N. C.

BUSINESS 121

Accounting II*
(Intermediate Accounting)

DESCRIPTION OF COURSE:

A second course in the basic principles and concepts of accounting. Emphasis is on determining merchandise inventory, identifying inventory systems, adjusting for deferrals and accruals, accounting for property taxes and operating a payroll system.

COURSE HOURS PER WEEK: Class, 3; Laboratory, 2.

QUARTER HOURS CREDIT: 4

PREREQUISITE: T-Business 120, Accounting I.

MAJOR DIVISIONS OF COURSE CONTENT:

I. Merchandise inventory

II. Determining value of inventory

III. Deferrals and accruals

IV. Property taxes

V. Plant assets

VI. Intangible assets

VII. Accounting systems, design, automation, and controls

VIII. Payroll

IX. Basic concepts and principles

X. Practice set

SUGGESTED TEXTBOOKS AND MATERIALS:

Accounting: A Learning Experience (ALEX). Englewood Cliffs, New Jersey: Prentice-Hall, Inc., 1973.

Niswonger, C. Rollin and Philip E. Fess. Accounting Principles. 11th ed. Cincinnati: South-Western Publishing Co., 1973.

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*This is an abstract of the Intermediate Accounting syllabus. For a complete copy of the syllabus, write to Program Development Division, Department of Community Colleges, Education Building, Raleigh, NC 27611.

Niswonger, C. Rollin and Philip E. Fess. Accounting Principles Working Papers: Chapters 1-14. 11th ed. Cincinnati: South-Western Publishing Co., 1973.

Practice Set 2: Midwest Appliance Company. Cincinnati: South-Western Publishing Co., 1973.

SUGGESTED REFERENCES:

Pillsbury, Wilbur F., Computer Augmented Accounting: CompuGuide One. 2nd ed. Cincinnati: South-Western Publishing Co., 1974.

Pillsbury, Wilbur F., Computer Augmented Accounting: CompuGuide Two. Cincinnati: South-Western Publishing Co., 1971.

ENGLISH 204

Oral Communication*
(English-Speech)

DESCRIPTION OF COURSE:

The principles, techniques, and practical applications of communicating the thoughts and personality through the voice and visible action of the individual to one or more persons for the purpose of achieving a previously determined response. Areas covered vary according to class needs, but, in general, include: basic concepts, nonverbal and verbal language, vocal usage, speech preparation (analyzing audience and occasion, determining purpose, selecting and narrowing subject, gathering and organizing material, wording, and practicing aloud), and effective listening.

COURSE HOURS PER WEEK: Class, 3; Laboratory, 0.

QUARTER HOURS CREDIT: 3

PREREQUISITE: None

MAJOR DIVISIONS OF COURSE CONTENT:

I. Basic Concepts of Communication

II. Using the Body to Communicate

III. Using the Voice to Communicate

IV. Preparing the Speech

V. Effective Listening

SUGGESTED TEXTBOOKS:

Hasling, John. The Message, the Speaker, the Audience. New York: McGraw-Hill Book Co., 1971.

Monroe, Alan H., Principles of Speech Communication. 6th brief ed. Glenview, Illinois: Scott, Foresman and Co., 1969.

Ross, S. Raymond. Speech Communication: Fundamentals and Practice. 2nd ed. Englewood Cliffs, New Jersey: Prentice-Hall, Inc., 1970.

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*This is an abstract of the Oral Communication syllabus. For a complete copy, write to Program Development Division, Department of Community College, Education Building, Raleigh, North Carolina 27611

FOURTH QUARTER

SYLLABUS FOR

REAL ESTATE FINANCE

BUSINESS 209

Appreciation is expressed to William A. Bullard, Assistant Vice President, NCNB Mortgage Corporation, Raleigh, North Carolina; Phillip W. Ford, Vice President, Stockton, White and Company, Raleigh, North Carolina and to Kenneth H. Kerr, Assistant Vice President, First Federal Savings and Loan Association, Raleigh, North Carolina for developing this syllabus.

BUSINESS 209

Real Estate Finance

I. DESCRIPTION OF COURSE:

A study of real estate finance including an analysis of financial techniques and instruments necessary in real estate financing. Topics include the structure of the mortgage market, the sources of funds, types of mortgages, role of government agencies, interest rates, loan origination and servicing, and competition in the money market.

II. COURSE OBJECTIVES:

Given the materials as presented in this course, the student will be able to:

1. Identify the various types of lending institutions and to define finance terms found in the technical vocabulary of real estate finance.
2. Explain the importance of financing in the field of real estate.
3. Analyze and solve problems commonly found in real estate financing.
4. Complete the procedure for processing, underwriting and closing a loan.
5. Identify the sources of information that will be useful in operating in the areas of conventional, insured and guaranteed real estate loans and the various institutional lenders.

III. COURSE OVERVIEW:

A. History of Lending Institutions and Development of Mortgage Financing

B. Types of Mortgages

C. Governmental Agencies in the Mortgage Field

D. Interest Rates

E. Loan Applications and Underwriting

F. Loan Closings

G. Loan Servicing

IV. CREDITS, HOURS, PREREQUISITES

A. Five (5) hours credit

B. Five (5) hours per week

C. Prerequisite: None

V. EVALUATION

The evaluation is based on the completion of stated objectives.

Students may be assigned a special project(s) on a topic(s) as presented in the outline.

3 weeks (quarters-test) 3 tests

Objective	Content Outline	Activity Experience	Evaluation
I. To introduce the student to the mortgage market structure.	I. Introduction to the Structure of the Mortgage Market		I. Given an objective-type test, th student will be able (1) to identify the mortgage market structure (2) to describe the types of lending institutes and their functions in this structur (3) to name and describe the factors contributing to the deve ment of mortgage financing (4) to name, compare and contrast th primary and secondary money mark Have students select a topic rela to the mortgage market structure and present as oral or written report.
	A. Types of lending institutions		
A-1. To introduce the student to the historical background of savings and loan associations and to their functions and future in the economy.	1. Savings and loan associations a. Historical background b. Present functions c. Future outlook	A-1. REF*: Chapters 11 and 12 Lecture/Discussion Have students research a savings and loan association as an oral or written project. Utilize savings and loan representative to discuss this topic.	
A-2. To introduce the students to the historical background of banks, their functions and future in the economy.	2. Banks a. Historical background b. Present functions c. Future outlook	A-2. REF: Chapter 13 Lecture/Discussion Have students research a bank as an oral or written project. Utilize a bank representative to discuss this topic.	

*REF: Real Estate Finance.

NOTE: Examples of some forms used by lending institutions are shown in the Appendix.

Objective	Content Outline	Activity Experience	Evaluation
A-3. To introduce the student to the historical background of life insurance companies, their functions and future in the economy.	3. Life insurance companies a. Historical background b. Present functions c. Future outlook	A-3. REF: Chapter 14 Lecture/Discussion Have students research a life insurance company as an oral or written project. Utilize a life insurance representative to discuss this topic.	
A-4. To introduce the student to the historical background of mortgage bankers, their functions and future in the economy.	4. Mortgage bankers a. Historical background b. Present functions c. Future outlook	A-4. REF: Chapter 15 Lecture/Discussion Have student research a mortgage bank as an oral or written report. Utilize a mortgage banker to discuss this topic.	
A-5. To be able to identify and define two other types of lending institutions.	5. Miscellaneous lenders	A-5. REF: Chapter 16 Lecture/Discussion	
B. To be able to identify and explain the factors leading to mortgage financing.	B. Factors contributing to the development of mortgage financing 1. Development in housing demand 2. Development in income Producing properties	B. REF: Chapter 1 Lecture/Discussion	
C. To be able to identify, compare and contrast primary and secondary money markets.	C. Primary and secondary money markets	C. REF: Chapters 27 and 28 Lecture/Discussion	
D. To be able to identify and describe the competitive factors in the money market.	D. Competition in the money market 1. Lender orientation 2. Rates and terms 3. Service to borrower 4. Availability of funds	D. LPP*: Chapter 23 Lecture/discussion Students may be given assignments to review magazines or newspapers for articles on factors influencing the money market.	D. Given an objective- or subjective-type test, the student will be able to identify and describe the competitive factors influencing the money market.

*LPP: Lending Principles and Practices

Objective	Content Outline	Activity Experience	Evaluation
II. To be able to identify the various types of mortgages.	II. Types of mortgages	II. REF: Chapters 2 and 3	II. Given an objective-type test, the student will be able to name and describe the various types of residential and income producing mortgages.
A. To be able to identify the permanent mortgages.	A. Permanent mortgages		
1. To be able to identify and explain the five types of mortgages.	1. Residential mortgages a. Conventional b. VA guaranteed loans c. FHA insured loans d. Farmers' Home Administration e. Federal Land Bank	1-a. LPP: Chapter 4 1-b. REF: Chapter 26 1-c. REF: Chapter 25 1-d. REF: Chapter 22, p.433 1-e. REF: Chapter 22, p.432 Lecture/Discussion Visit the local agencies granting residential mortgages and obtain forms or other materials that can be used as handouts or transparencies for class discussion or have student visit agency and report findings to class.	
2. To be able to identify and explain the types of income producing mortgages.	2. Income producing mortgages a. Conventional (1) Full amortization (2) Partial amortization b. FHA Insured	2. LPP: Chapters 16, 17 and 18 Lecture/Discussion Visit the local agencies granting income producing mortgages and obtain forms or other materials to be used as handouts or transparencies for class discussion or have student visit agency and report findings to class.	

Objective	Content Outline	Activity Experience	Evaluation
B. To be able to identify and explain the three types of interim mortgages.	B. Types of interim mortgages 1. Land acquisition 2. Land development 3. Construction	B. REF: Chapters 2 and 3 1. REF: Chapter 21 2. REF: Chapter 21 LPF: Chapter 13 3. LPF: Chapter 15 Lecture/Discussion Visit an agency granting interim mortgages and obtain forms or other materials for handouts or transparencies.	B. Given an objective-type test, the student will be able to identify and describe the three types of interim mortgages.

Objective	Content Outline	Activity Experience	Evaluation
III. To introduce the students to the governmental agencies having influence on the mortgage market.	III. The Role of Governmental Agencies	III. LPP: Chapter 21 Lecture/Discussion For this section, it is suggested that the instructor consult with personnel from the various agencies, obtain forms or other materials used by these agencies. Utilize personnel in these agencies as class speakers. Note: Some of these agencies have been given nicknames. The nickname is becoming part of the mortgage market jargon; therefore, students should be aware of this jargon.	Given an objective-type test the student will be able to identify the governmental agencies influencing the mortgage market and to define the functions of each.
A. To be able to identify and explain the role of the Housing and Urban Development Agency.	A. Housing and urban development		
B. To be able to identify and explain the role of the Federal Home Loan Mortgage Corporation. (Freddie Mac)	B. Federal Home Loan Mortgage Corp. (Freddie Mac)		
C. To be able to identify and explain the role of the Federal Reserve System.	C. Federal Reserve System		
D. To be able to identify and explain the role of the Federal Housing Administration.	D. Federal Housing Administration		
E. To be able to identify and explain the role of the Veterans Administration.	E. Veterans Administration		
F. To be able to identify and explain the role of the Federal National Mortgage Association. (Fanny-Mae)	F. Federal National Mortgage Association (Government Sponsored) (Fanny-Mae)		
F. To be able to identify and explain the role of the Government National Mortgage Association. (Gennie-Mae)	G. Government National Mortgage Association. (Gennie-Mae)		

Objective	Content Outline	Activity Experience	Evaluation
IV. To be able to define interest rates and its role in the economy	IV. Interest Rates	IV. Information for the section on Interest Rates should be obtained by the instructor and/or by the student as a project from local agencies (banks, savings and loan, etc.)	Given an objective or subjective-type test, the student will be able to define and describe interest rates, role and influence on the nation's economy.
A. To be able to describe the role of interest rates as a function of supply and demand.	A. Rates as a function of supply and demand	Lecture/Discussion	
B. To be able to describe the role of interest rates as a function of risk.	B. Rates as a function of risk	Problem-solving situation	
C. To be able to identify the legal limitations on interest.	C. Legal limitations on interest rates (Usury law)		
D. To be able to identify and compare and contrast interest rates in the current market.	D. A survey of typical interest rates in the current market		

Objective	Content Outline	Activity Experience	Evaluation
V. To be able to list and describe the procedure for obtaining, processing and granting a loan.	V. Loan Origination and Underwriting	V. REF: Chapter 17 Lecture/Discussion Provide information for several problem-solving activities. Utilize services of resource persons from lending agencies as consultants or class speakers.	Given the appropriate information the student will be able to complete the procedure for processing and granting a loan.
A. To be able to identify, discuss and/or complete the forms or documents necessary for loan application.	A. Initial documents 1. Offer to purchase 2. Application (Personal information and financial statement)	A. Lecture/Discussion Prepare transparencies and/or handouts of initial documents. Provide forms for students to complete. Have students do a simulation of person inquiring about a loan from a loan agency.	
B. To be able to identify the procedure for processing a loan application and to describe and complete the necessary documents.	B. Processing documents 1. Credit reports 2. Verification of employment and deposits 3. Appraisal	B. Lecture/Discussion Prepare transparencies and/or handouts of processing documents. Have students complete procedures for processing a loan application. REF: Chapter 18 LPP: Chapter 6	

Objective	Content Outline	Activity Experience	Evaluation
C. 1-5. To be able to evaluate a loan application, identify the insurance requirements, and based on specific qualifications, either personal or business or both, to recommend approval of the loan.	C. Underwriting and commitment 1. Overall evaluation 2. Requirements for mortgage guaranty insurance (or FHA insurance or VA guaranty) 3. Some guidelines for personal qualification a. Husband's income b. Wife's income c. Other income d. Proposed monthly payment e. Other indebtedness f. Future outlook for income and expense 4. Some guidelines for business qualification a. Facts disclosed by appraisal b. Evaluation of financial strengths of principals or company c. Future expectancy of success 5. Experience and good judgment factors	C. LPP: Chapter 5 Lecture/Discussion Have students evaluate and identify the elements in approving a loan through a simulation activity or problem-solving activity.	
C-6. To be able to identify the types of commitments for a loan.	6. Forms of commitments		
C-7. To be able to identify the necessary Truth-In-Lending disclosures for a loan application.	7. Required Truth-In-Lending disclosures, where applicable		
C-8. To be able to describe the acceptance of commitment in the lending process.	8. Acceptance of commitment		

Objective	Content Outline	Activity Experience	Evaluation
VI. To be able to identify the procedure for closing a loan.	VI. Loan Closings	VI. LPP: Chapter 7 Lecture/Discussion Provide information for a problem-solving activity or simulation on closing a loan. Prepare transparencies and/or handouts of documents related to closing a loan.	
A. To be able to identify the documents for closing a loan and describe the procedure for completing these documents.	A. Documents		
	1. Title work a. Attorney's certification b. Title insurance 2. Affidavits for mortgage guaranty insurance, where applicable 3. Sales settlement 4. Loan settlement 5. Promissory note and mortgage papers 6. Other documents a. Pledges of additional collateral b. Financing statements c. Assignments of rents or lease agreements d. Hazard insurance e. Life and disability insurance f. Lease insurance	A-1. REF: Chapter 19	

Objective	Content Outline	Activity Experience	Evaluation
B. To be able to identify the closing costs for closing a loan and to describe the procedure and/or complete the necessary documents.	B. Closing costs 1. Attorney's fees 2. Appraisal 3. Credit report 4. Origination fees 5. Points and discounts 6. Mortgage guaranty insurance premiums 7. Survey 8. Recording costs 9. Revenue tax 10. Title insurance 11. Deposits to escrow 12. Clearing prior liens		
C. To be able to complete the procedure for a closed loan.	C. Completing the transaction 1. Recording documents 2. Title insurance policy and/or loan guaranty papers 3. Check list for final assembly of loan file		

Objective	Content Outline	Activity Experience	Evaluation
VII. To be able to define loan servicing and to identify the types of servicing available.	VII. Loan Servicing	VII. REF: Chapter 20 and 5 Lecture/Discussion Utilize a representative from a lending institution as a resource person to explain the means of loan servicing.	
	A. Escrow and capitalization methods 1. Insurance disbursements a. Hazard insurance b. Mortgage guaranty or FHA insurance c. Life and disability insurance 2. Property taxes a. Real and personal b. Assessments for water, sewer, paving, fire and school taxes, etc. 3. Analysis of payments to insure adequacy	A. LPP: Chapter 8	
	B. Delinquencies	B. LPP: Chapter 9	
	C. Mortgage loan assumptions		
	D. Mortgage loan payoffs		
	E. Servicing loans for others		
	F. Other servicing functions 1. Prepayments 2. Partial releases 3. Modification of terms 4. Disposition of insurance proceeds 5. Open end advances 6. Public relations functions		

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BIBLIOGRAPHY

1. Books

Textbooks:

Hoagland, Henry E. and Leo D. Stone. Real Estate Finance. 5th ed. Homewood, Illinois: Richard D. Irwin, Inc., 1973.

Landing Principles and Practices. Chicago: American Savings and Loan Institute.

Other Books:

Arnold, Alvin L., Truth-In-Lending Forms Guide. Boston: The Banking Law Journal, 1970. (89 Beach Street, Boston, Massachusetts 02111)

Bryant, Willis R., Mortgage Lending: Fundamentals and Practices. 2nd ed. New York: McGraw-Hill Book Co., 1962.

Casey, William J., Successful Financing Techniques That Boost Real Estate Sales and Profits. New York: Institute for Business Planning, Inc., date not available.

Clontz, Jr., Ralph C., Truth-In-Lending Manual. Rev. ed. Boston: Hanover Lamont Corp., 1970.

DeHuszar, William I., Mortgage Loan Administration. New York: McGraw-Hill Book Co., 1972.

Mair, George. Real Estate Finance: A Student Workbook for a College Course. Rev. California: Department of Real Estate, 1971.

Mair, George. Real Estate Finance: A Teacher's Guide for a College Course. Rev. California: Department of Real Estate, 1971.

Peasre, Robert H. and Lewis O. Kerwood. Mortgage Banking. 2nd ed. New York: McGraw-Hill Book Co., 1965.

2. Periodicals

Barrons National Business and Financial Weekly. Published by Dow Jones and Company, 200 Burnett Road, Chicopee, Massachusetts 01021.

Lender's Handbook. Published by Veteran's Administration.

Life Insurance Fact Book. Published annually by Institute of Life Insurance, 277 Park Avenue, New York, New York 10017.

The Mortgage Banker. Published monthly by Mortgage Bankers Association of America, 1125-15th Street, N. W. Washington, D. C. 20005.

Mortgage's Handbook. Published by Federal Housing Administration.

Savings and Loan Fact Book.

The Wall Street Journal. Published by Dow Jones and Company, 200 Burnett Road, Chicopee, Massachusetts 01021.

3. Audiovisual Aids

Tape - slides available from United States Savings and Loan League, 111 East Wacker Drive, Chicago, Illinois 60601.

"Condominiums - Air Lot Living"

"Two Apartment Projects: A Comparison of Value"

4. Other Sources

Secure copies of the various forms used by financial institutions from local sources.

Order publications from U. S. Superintendent of Documents, U. S. Government Printing Office, Washington, D. C. 20402.

Housing and Urban Development Department:

FHA G 4700.1: Digest of Insurable Loans and Summaries of Other Federal Housing Administration.

FHA G 4005.8: Mortgage's Guide Application Through Committment.

FHA G 4015.9: Mortgage's Guide: Administration of Insured Mortgages.

FHA G 4010.6: Mortgage's Guide: Home Mortgage Insurance Fiscal Instruction.

American Savings and Loan Institute
111 East Wacker Drive
Chicago, Illinois 60601
(312) 644-3100

The Banking Law Journal
89 Beach Street
Boston, Massachusetts 02111

Institute for Business Planning, Inc.
2 West 13th Street
New York, New York 10011

APPENDIX

NCNB 5993A Rev. 8-73

NCNB MORTGAGE CORPORATION

RESIDENTIAL LOAN APPLICATION

MORTGAGE APPLIED FOR ←	Mortgage Amount $	Interest Rate %	No. of Months	Monthly Payment Principal & Interest $	Escrow/Impounds (to be collected monthly) ☐ Taxes ☐ Hazard Ins. ☐ PMI ☐ Other

Prepayment Option

SUBJECT PROPERTY

Property Street Address	City	County	State	Zip	No. Units

Legal Description (Attach description if necessary)

Property is ☐ Fee ☐ Leasehold ☐ Condominium ☐ Planned Unit Development

Purpose of Loan: ☐ Purchase ☐ Construction-Perm ☐ Construction ☐ Refinance ☐ Other (Explain)

Complete this line if house was just constructed on own lot . . .	Year Lot Acquired	Cost of Lot $	Cost of Improvements $	Total Cost $	RE-ENTER AS PURCHASE PRICE IN DETAILS OF FINANCING

If existing liens being refinanced . . .

Year Built	Year Acquired	Total Investment in Prop. $	Purpose of Refinance	Describe Improvements [ ] made [ ] to be made

Title Will Vest in What Names?

Title will be ☐ In Joint Tenancy ☐ Other ______

BORROWERS

Borrower	Age	Yrs. School	Co-Borrower*	Age	Yrs. School

Present Mailing Address of Borrowers

Years at this Address — —

Home Phone	Business Phone	Marital Status	Years Married	Military Status

Dependents other than Spouse

Number	Ages						

(Check One)**

☐ American Indian ☐ Spanish American

☐ Negro/Black ☐ Other Minority

☐ Oriental ☐ White (Non-minority)

GROSS MONTHLY INCOME

Base earnings (Borrower)	$
Overtime	
Bonuses and Commissions	
Dividends and Interest	
Real Estate (Net From Schedule)	
Other (Amt. from Schedule Below)	
Subtotal (Borrower)	$
Base earnings (Co-Borrower)	
Other	
Subtotal (Co-Borrower)	
Total Income	

HOUSING COST MONTHLY

	PREVIOUS	PROPOSED
Rent	$	╳
First Mortgage (P&I)		$
Secondary Financing(P&I)		
Hazard Insurance		
Taxes (Real Estate)		
Assessments (Due or Pending)		
Private Mortgage Insurance		
Total Monthly Pmt.	$	$
Utilities		
Dues(Homeowners Assn.)		
Total	$	$

DETAILS OF PURCHASE/FINANCING

a. Purchase price (or) Refinance Amount	$
b. Repairs & Improvements	
c. Total Closing Costs	
d. Pre Paid Escrows	
e. Total (a + b + c + d)	$
f. First Mortgage (Amt this Loan)	( )
g. Other Financing	( )
h. Deposit to Date	( )
i. Closing costs paid by Seller	( )
j. Cash required for closing	$

BORROWER'S PRIMARY EMPLOYMENT

Name and Address of Employer ☐ Self Employed***		How many years has applicant been employed in this line of work or profession? years Years on this job
Position/Title	Type of Business	Employers Phone No.

CO-BORROWER'S EMPLOYMENT

Name and Address of Employer ☐ Self Employed***		How many years has applicant been employed in this line of work or profession? years Years on this job
Position/Title	Type of Business	Employers Phone No.

IF EMPLOYED IN CURRENT POSITION FOR LESS THAN TWO YEARS COMPLETE THE FOLLOWING

B—Borrower C—Co-Borrower

B/C	Previous Employer/School	City	Type of Business	Position Held	Dates From/To	Monthly Salary
						$

DESCRIBE INCOME OTHER THAN BASE EARNINGS

DESCRIBE IN DETAIL	Monthly Amount
	$

LIST PREVIOUS CREDIT REFERENCES

Owed To (Name and Address)	Account Number	Purpose	Highest Balance	Date Paid
			$	

QUESTIONS APPLY TO BOTH BORROWERS

(If Yes, explain on attached sheet)	Yes or No	
Have you ever taken bankruptcy?	______	
Any outstanding judgments?	______	$______
Co-Maker or endorser on any notes?	______	$______
Defendant/Participant in a Law Suit?	______	$______
Obligated for child support or alimony payments?	______	$______

	Yes or No	
Have you owned a home before?	______	$______ (Market Value)
Do you have health and accident insurance?	______	
Do you have major medical coverage?	______	
Do you intend to occupy property?	______	
Will this property be your primary residence?	______	

Are you an officer or partner in any other venture than listed under primary employment or other income? ______ Yes or no

*NOTE: CO-BORROWERS not related by marriage require separate applications.

**This information is requested in accordance with suggestion of the U.S. Civil Rights Commission to protect the civil rights of all borrowers, in accordance with the intent of the United States Constitution, the Housing Act of 1949, and the Civil Rights Act of 1964 and 1968.

***Self-employed must furnish verification of income by providing a signed copy of most recent Federal Tax Return or audited Profit and Loss Statements. (FNMA Requires both Federal Tax Return and P/L, plus balance sheet for last two years)

FHLMC 65 6/73
FNMA 1003 6/73

SCHEDULE OF ASSETS AND LIABILITIES

ASSETS	
Description	Cash or Market Value
Cash Toward Purchase held by	
Checking and Savings Accounts****	
Stocks and Bonds *No. description*	
Life Insurance Net Cash Value *Face Amount ($)*	
SUBTOTAL LIQUID ASSETS	$
Real Estate Owned *(Enter Total from Col. 1—Real Estate Schedule)*	
Vested Interest in Retirement Fund	
Net Worth of Business Owned*** (ATTACH FINANCIAL STATEMENT)	
Auto (Make and Year)	
Furniture	
Other Assets (Itemized)	
TOTAL ASSETS	A. $

LIABILITIES & PLEDGED ASSETS		
Owed To (Name, Address and Account Number)	Mo. Pmt. and Mos. left to pay	Unpaid Balance
Indicate by (*) which will be satisfied upon sale or upon refinancing of subject property		
Installment Debt	$ (Mos.) /	$
	/	
	/	
	/	
Loans/Pledges Against Stocks or Bonds	/	
	/	
Real Estate (Itemized)	☒	
	☒	
Other Debt (Itemized)		
Alimony and Child Support Payments	/	☒
TOTAL MONTHLY PAYMENTS	C. $	☒
NET WORTH (A.—B.) $	**TOTAL LIABILITIES**	B $

SCHEDULE OF REAL ESTATE OWNED (If Additional Properties Owned Attach Separate Schedule)

Address of Property (Indicate S if Sold or PS if Pending Sale)		Type of Property	Present Market Value (1)	Amount of Mortgages & Liens	Gross Income	Mortgage Payments	Taxes, Ins., Upkeep & Misc.	Net Income
	TOTALS →							

AGREEMENT: The undersigned hereby applies for and agrees to accept the loan described herein, to be secured by a first mortgage or trust deed on the property described herein and represents that no part of said premises will be used for any purpose forbidden by law or restriction and that all statements made in this application are true and made for the purpose of obtaining the loan. Verification may be obtained from any source named herein.

I fully understand that it is a federal crime punishable by fine or imprisonment or both to knowingly make any false statements concerning any of the above facts, as applicable under the provisions of Title 18, United States Code, Section 1014.

Signature ______________________ (Borrower) Date

Signature ______________________ (Co-Borrower) Date

[illegible]

1. **Application was taken and discussed with prospective borrower by:** ______________________ Interviewer
2. **(FNMA REQUIREMENT ONLY) This application was taken by a Full time employee of** ______________________ (Name of Lender) **in a face to face interview with the applicant.**

***Self-employed must furnish verification of income by providing a signed copy of most recent Federal Tax Return or audited Profit and Loss Statements. (FNMA Requires both Federal Tax Return and P/L, plus balance sheet for last two years)

****Indicate names of Institutions/Acct. Nos.

FHA FORM NO. 2004-G REV. 5/70
VA FORM 26-8497, 5/70

Form Approved
Budget Bureau No. 63-R0267

VETERANS ADMINISTRATION
AND
U. S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
FEDERAL HOUSING ADMINISTRATION

☐ PRESENT
☐ PRIOR

REQUEST FOR VERIFICATION OF EMPLOYMENT

INSTRUCTIONS: LENDER - Complete items 1 thru 7. Have applicant complete item 8. Forward directly to employer named in item 1.

EMPLOYER - Please complete items 9 thru 16 and return directly to lender named in item 2.

PART I - REQUEST

1. TO *(Name and address of employer)*	2. FROM *(Name and address of lender)* NCNB MORTGAGE CORPORATION

3. SIGNATURE OF LENDER	4. TITLE	5. DATE	6. FHA OR VA NUMBER

I have applied for a mortgage loan and stated that I am or was employed by you. My signature below authorizes verification of this information.

7. NAME AND ADDRESS OF APPLICANT	8. SIGNATURE OF APPLICANT

PART II - VERIFICATION

EMPLOYMENT DATA

9A. IS APPLICANT NOW EMPLOYED BY YOU? *(If "Yes," complete items 9B,10 and 11.)*
☐ YES ☐ NO *(If "No," complete items 9B,9C,9D and 10.)*

9B. LENGTH OF APPLICANT'S EMPLOYMENT *(If Military, enter total service)*

9C. DATE APPLICANT LEFT

9D. REASON FOR LEAVING

10. POSITION OR JOB TITLE

11. PROBABILITY OF CONTINUED EMPLOYMENT

PAY DATA

12A. BASE PAY *(Enter amount and check period)*
$
☐ ANNUAL ☐ HOURLY
☐ MONTHLY ☐ OTHER *(Specify)*
☐ WEEKLY

12B. EARNINGS LAST 12 MONTHS

TYPE	AMOUNT
BASE PAY	$
OVERTIME	$
COMMISSIONS	$
BONUS	$

12C. TO BE COMPLETED FOR MILITARY PERSONNEL ONLY

PAY GRADE

TYPE	MONTHLY AMOUNT
BASE PAY	$
RATIONS	$
FLIGHT OR HAZARD	$
CLOTHING	$
QUARTERS	$
PRO PAY	$
OVER SEAS OR COMBAT	$

13. REMARKS

REGULAR WORKING HOURS PER WEEK : ____
HOURLY RATE - - - - - - - - - - - - : ____
SCHEDULED OVERTIME PER WEEK - - : ____
STABILITY OF OVERTIME - - - - - - - : ____
OVERTIME HOURLY RATE - - - - - - - : ____
DOES COMPANY FURNISH AUTO ____ PAY ALL TRAVEL EXPENSES ____

The above information is provided in strict confidence in response to your request.

14. SIGNATURE OF EMPLOYER	15. TITLE	16. DATE

THE INFORMATION ON THIS FORM IS CONFIDENTIAL. IT IS TO BE TRANSMITTED DIRECTLY, WITHOUT PASSING THROUGH THE HANDS OF THE APPLICANT OR ANY OTHER PARTY.

Form Approved
Budget Bureau No. 63-R0266

VETERANS ADMINISTRATION
AND
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
FEDERAL HOUSING ADMINISTRATION

REQUEST FOR VERIFICATION OF DEPOSIT

INSTRUCTIONS: LENDER – Complete Items 1 thru 7. Have applicant complete Items 8 and 9. Forward directly to bank or other depository named in Item 1.
ADDRESSEE – Please complete Items 10 thru 14. Return directly to Lender named in Item 2.

PART I – REQUEST

1. TO: *(Name and Address of Bank or other Depository)*

2. FROM: *(Name and address of lender)*
NCNB MORTGAGE CORPORATION

3. SIGNATURE OF LENDER

4. TITLE

5. DATE

6. FHA OR VA NUMBER

7. STATEMENT OF APPLICANT

A. NAME AND ADDRESS OF APPLICANT

B. TYPE OF ACCOUNT	BALANCE	ACCOUNT NUMBER
CHECKING	$	
SAVINGS	$	

I have applied for a mortgage loan and stated that my balances with the bank or other depository named in Item 1 are as shown in Item 7B. My signature below authorizes verification of this information. Your response is solely a matter of courtesy for which no responsibility is attached to your institution or any of your officers.

8. SIGNATURE OF APPLICANT

9. DATE

PART II – VERIFICATION

10A. DOES APPLICANT HAVE ANY OUTSTANDING LOANS?
☐ YES ☐ NO *(If "Yes," enter total in Item 10B)*

10B. TYPE OF LOAN	MONTHLY PAYMENT	PRESENT BALANCE
SECURED	$	$
UNSECURED	$	$

10C. PAYMENT EXPERIENCE
☐ FAVORABLE ☐ UNFAVORABLE *(If unfavorable, explain in Remarks)*

11A. IS APPLICANT'S STATEMENT IN ITEM 7B CORRECT?
☐ YES ☐ NO *(If "No," complete Item 11B)*

11B. CURRENT BALANCES	
CHECKING ACCOUNT	SAVINGS ACCOUNT
$	$

12A. IS THE ACCOUNT LESS THAN TWO MONTHS OLD?
☐ YES ☐ NO *(If "Yes," complete Item 12B)*

12B. DATE ACCOUNT WAS OPENED

13. REMARKS

The above information is provided in strict confidence in response to your request.

14A. SIGNATURE OF OFFICIAL OF BANK OR OTHER DEPOSITORY

14B. TITLE

14C. DATE

THE INFORMATION ON THIS FORM IS CONFIDENTIAL. IT IS TO BE TRANSMITTED DIRECTLY, WITHOUT PASSING THROUGH THE HANDS OF THE APPLICANT OR ANY OTHER PARTY.

FHA FORM NO. 2004-F(REV. 3/69)
VA FORM 26-8497a, MAR 1969

PHLMC FORM 70
FNMA FORM 1004
REV. 10-72

APPRAISAL REPORT

Single Family Residence

To Be Completed By Lender

Borrower/Client .... File No. .... Map Reference ....
Property Address .... Lender ....
City .... County .... Lender's Address ....
State .... Zip Code .... City .... State ....
Appraiser .... Census Tract Number ....
Legal Description ....
Current Sale Price (If Applicable) $ .... Date of Sale .... Percentage of Loan(s) to Sale Price ....%
Percentage of Loan Charges paid by Seller ....%   Property Rights Appraised ☐ Fee ☐ Leasehold
Instructions to Appraiser ....

BUILDING DATA

CONSTRUCTION: ☐ Existing Year Built .... ☐ Proposed ☐ Under Construction No. of Dwelling Units .... No. of Stories ....
Livable Floor Area .... Square Feet   Other Buildings ....
Total Rooms .... Bedrooms .... Baths ....

ROOM LIST AND LOCATION:	Basement	First Level	Second Level	Third Level
Entry	☐	☐	☐	☐
Living Room	☐	☐	☐	☐
Dining Room	☐	☐	☐	☐
Dining Alcove	☐	☐	☐	☐
Kitchen	☐	☐	☐	☐
Family Room	☐	☐	☐	☐
Den	☐	☐	☐	☐
....	☐	☐	☐	☐
....	☐	☐	☐	☐
....	☐	☐	☐	☐
....	☐	☐	☐	☐
Bedroom	☐	☐	☐	☐
Bedroom	☐	☐	☐	☐
Bedroom	☐	☐	☐	☐
Bedroom	☐	☐	☐	☐
Bedroom	☐	☐	☐	☐
Bedroom	☐	☐	☐	☐
....	☐	☐	☐	☐
Bath	☐	☐	☐	☐
Bath	☐	☐	☐	☐
Bath	☐	☐	☐	☐
½ Bath	☐	☐	☐	☐
½ Bath	☐	☐	☐	☐
½ Bath	☐	☐	☐	☐
½ Bath	☐	☐	☐	☐
....	☐	☐	☐	☐

ROOM SIZES: ☐ Adequate Comment if inadequate.

CAR STORAGE
☐ Garage ☐ Car Port No. of Cars ....
☐ Attached ☐ Detached ☐ Built-in
Adequate: ☐ Yes ☐ No

EXTERIOR WALLS
☐ Wood Siding
☐ Wood Shingle
☐ Stucco
☐ Brick Veneer
☐ Brick (Solid)
☐ Concrete Block
☐ Stone
☐ Composition Shingle
☐ Aluminum
....

DECORATIVE TRIM
....
....

KITCHEN
☐ Range/Oven
☐ Dishwasher
☐ Fan/Hood
☐ Disposal
....
....
....

CABINETS
☐ Adequate
☐ Inadequate

FLOORS
☐ Hardwood
☐ Pine
☐ Composition
☐ Plywood
☐ Wall/Wall Carpeting
....
....

ROOF
☐ Wood Shingle
☐ Wood Shake
☐ Composition Shingle
☐ Built Up Gravel
☐ Rock
☐ Tile
....

FOUNDATION
☐ Concrete Perimeter
☐ Slab
☐ Stone
☐ Concrete Block
☐ Brick
....

BATHROOM
...... Tubs
...... Toilets
...... Lavatories
...... Tub Showers ...... Tiled
...... Tub Enclosure
...... Stall Showers ...... Tiled

BATH FLOOR
☐ Tile
☐ Composition
....
....

INTERIOR WALLS
☐ Plaster
☐ Drywall
☐ Paneling .... Rooms
☐ Wall Paper .... Rooms
☐ Structural Beams
☐ Decorative Beams
....
....

INSULATION
☐ Walls
☐ Ceiling
☐ Roof
....

HEATING
☐ Gravity
☐ Forced Air
☐ Floor Furnace
☐ Wall Furnace
☐ Radiant
....

FUEL
☐ Gas
☐ Electric
☐ Oil
☐ Coal
....

BASEMENT
☐ None
☐ Full
☐ Part
☐ Floor Drain
☐ Sump Pump

BASEMENT FLOOR
☐ Concrete
....

BASEMENT CEILING
☐ Finished
☐ Unfinished
Outside Entrance:
☐ Yes ☐ No

AIR CONDITIONING
☐ Central
☐ Wall
☐ Evaporative Cooler
....
....

EXTRAS
...... Fireplaces Dual
☐ Patio:
  ☐ Covered
  ☐ Enclosed
☐ Pool

PROPERTY FACTORS:	Excellent	Standard	Below Standard
Quality of Construction	☐	☐	☐
Condition of Improvements	☐	☐	☐
Overall Livability	☐	☐	☐
Closet Space	☐	☐	☐
Quality of Plumbing Fixtures	☐	☐	☐
Adequacy of Electrical Service	☐	☐	☐
Conformity of Improvements to Neighborhood	☐	☐	☐

Comment on All Property Factors Rated Below Standard: ....

Other Features and Finishes: ....

Comment on Physical and Functional Inadequacies: (If Any) ....

MODERNIZATION: (List major items and year completed.) ....

REPAIRS: (List repairs, painting, termite treatment, etc. you recommend be made to the improvements to make the property readily marketable.) If none, so state.

Estimated Cost $

MARKETABILITY OF PROPERTY AT THE FOLLOWING ESTIMATED VALUE: ☐ Good   If slow Marketability, comment

VALUATION: This appraisal is based upon the definition of market value, the certification, the contingent and limiting conditions, and requirements that are stated on Page 4 of this report. As a result of my investigation and analysis it is my opinion that the estimated Market Value of the subject property as of .... is $

Appraiser .... Date ....   Review Appraiser .... Date ....
☐ Did ☐ Did Not Physically Inspect Property

NEIGHBORHOOD

Built Up: General Area .... % Immediate Area .... % If General Area is in a developing stage, indicate the growth rate:
☐ Rapid ☐ Slow Comment if slow ....

Typical Range in immediate neighborhood excluding extremes:
Price $ .... To $ .... Age (years) ....

Immediate Neighborhood occupancy:
Owners .... % Tenants .... % Vacant .... %

Immediate Neighborhood location: ☐ Urban ☐ Suburban ☐ Rural

Immediate Neighborhood trend: ☐ Improving ☐ Stable ☐ Declining

Comment if Immediate Neighborhood trend is declining ....

Present immediate Neighborhood uses: Single Family .... % Apartments .... % Condominiums .... % Planned Unit Development .... %
Commercial .... % Industrial .... % Open Green Area .... % Vacant .... %

Comment if combination of immediate Neighborhood uses affect marketability ....

Shopping and Schools: ☐ Satisfactory Comment if unsatisfactory ....

Pride of Ownership: ☐ Good ☐ Fair If Fair, indicate percentage of properties not receiving normal maintenance .... %

Comments regarding additional favorable or unfavorable immediate neighborhood factors (if any). If older properties prevail, describe upgrading trend. ....

SITE

Dimensions .... Area (Square Feet) .... Topography .... Zoning ....

If Zoning permits uses other than Single Family, indicate uses permitted ....

Highest and Best Use: ☐ Present Use Other: ....

Site Improvements: ☐ Public Water ☐ Private Well ☐ Public Sewer ☐ Septic Tank ☐ Sidewalk
☐ Curbs ☐ Gutters ☐ Street Lights ☐ Electricity ☐ Gas

Access By: .... ☐ Public Street ☐ Private Road ☐ Hard Surface ☐ Gravel ☐ Unpaved

Maintained By: .... ☐ Municipality ☐ Private Association (Attach Association Documents)

Comment on Favorable or Unfavorable Site Factors, if any: (i.e., View, Easements, Nuisances, Adverse Influences, Odors, Drainage, Flood Conditions, etc.) ....

BUILDING SKETCH

Lot Location Sketch including the plotting of the location of any adverse influences:

N

REPLACEMENT COST ESTIMATE:

.... Sq. Ft. @ $ .... $ ....
.... Sq. Ft. @ $ ....
Garage .... Sq. Ft. .... Cars ....
Car Ports .... Sq. Ft. .... Cars ....
Porches, Patio, Balconies, Stairs, Etc. ....
Fences, Walls ....
Drives and Walks ....
Landscaping ....
....
....
....
Total Replacement Costs, New ....
Less Depreciation ....
Depreciated Cost of Improvements ....
Add Land Value (Leasehold Value, if appl.) ....
Indicated Value By Cost Approach $________

MARKET DATA ANALYSIS

This is an analysis of comparable market data showing the relationship of specific items of the comparable data with the subject property. The adjustments are the appraisers estimate of the plus or minus dollar adjustments that the real estate market in the subject area would make for the indicated items. If the item for the comparable property is superior to the subject property, indicate a minus dollar adjustment for the amount it is estimated that the local real estate market would recognize. If the item for the comparable data is inferior to the subject property then indicate the plus dollar adjustment that would be reflected in the local real estate market. Some items have been grouped to allow one adjustment.

Market data selected should be the sales of comparable properties that a buyer of the subject property would have also given consideration to purchasing. In the absence of actual sales of comparable properties, listings of comparable properties may be used but an explanation must be included in the comment section below.

ITEM	SUBJECT PROPERTY	COMPARABLE NO. 1		COMPARABLE NO. 2		COMPARABLE NO. 3	
Address							
Proximity to Subject							
	DESCRIPTION	DESCRIPTION	+ - $ ADJUSTMENTS	DESCRIPTION	+ - $ ADJUSTMENTS	DESCRIPTION	+ - $ ADJUSTMENTS
Classify Exterior Wall Construction							
Year Built							
No. of Stories							
Room Count	Total; Bedrooms; Baths	Total; Bedrooms; Baths		Total; Bedrooms; Baths		Total; Bedrooms; Baths	
Livable Area (Sq. Ft.)							
Livability							
Condition							
Quality of Construction							
Roof							
Heating							
Air Conditioning							
Fireplace							
Kitchen Built-Ins							
Basement							
Pool							
Other Major Improvements							
Car Storage (No. of Cars)							
Lot Size							
Zoning							
Landscaping							
View							
Location							
Property Appeal							
Comments on any other items such as unusual property features, remodeling or any factors pertinent to the sale, for example.							
Terms of Sale							
Date of Sale (Time Adjustment)							
Data Source							
Comparison to Subject		SUPERIOR ☐ SIMILAR ☐ INFERIOR ☐		SUPERIOR ☐ SIMILAR ☐ INFERIOR ☐		SUPERIOR ☐ SIMILAR ☐ INFERIOR ☐	
Price (Sale or List)	$	☐ Sale ☐ List $		☐ Sale ☐ List $		☐ Sale ☐ List $	
Total Net Adjustment		☐ Plus or ☐ Minus $		☐ Plus or ☐ Minus $		☐ Plus or ☐ Minus $	
Indicated Value of Subject			$		$		$
Price per Square Ft. (when applicable)	$		$		$		$

Comments on Market Data including relative weight given to comparables:

Indicated value of the subject property by the Market Approach $

GENERAL COMMENTS, IF ANY: ....

PHOTOGRAPHS

SUBJECT PROPERTY **DATE PHOTOGRAPHS TAKEN**.................................... **STREET SCENE**

MARKET VALUE: The highest price estimated in terms of money which a property will bring if exposed for sale in the open market with a reasonable time allowed to find a purchaser, buying with knowledge of all the uses and purposes to which it is adapted and for which it is capable of being used.

CERTIFICATION: The Appraiser certifies and agrees that:

1. The Appraiser has no present or contemplated future interest in the property appraised and that neither the employment to make this appraisal, nor the compensation for it, is contingent upon the appraised value of the property.
2. The Appraiser has no personal interest in or bias with respect to the subject matter of the appraisal report or the parties involved.
3. The Appraiser has personally inspected the property, both inside and out, and has made an exterior inspection of all comparable sales listed herein, and that according to the best of the Appraiser's knowledge and belief, all statements and information in this report are true and correct, and that the Appraiser has not knowingly withheld any information.
4. All contingent and limiting conditions are contained herein (imposed by the terms of the assignment or by the undersigned affecting the analyses, opinions, and conclusions contained in this report.)
5. This appraisal report has been made in conformity with and is subject to the requirements of the Code of Professional Ethics and Standards of Professional Conduct of the appraisal organizations with which the Appraiser is affiliated.
6. All conclusions and opinions concerning the real estate that are set forth in the appraisal report were prepared by the Appraiser whose signature appears on Page 1 of this appraisal report, unless indicated as "Review Appraiser." No change of any item of the appraisal report shall be made by anyone other than the Appraiser, and the Appraiser shall have no responsibility for any such unauthorized change.

CONTINGENT AND LIMITING CONDITIONS: The certification of the Appraiser appearing in this appraisal report is subject to the following conditions and to such other specific and limiting conditions as are set forth by the Appraiser on the report.

1. The Appraiser assumes no responsibility for matters of a legal nature affecting the property appraised or the title thereto, nor does the Appraiser render any opinion as to the title, which is assumed to be marketable. The property is appraised as though under responsible ownership.
2. The sketch in this report is included to assist the reader in visualizing the property, and the Appraiser assumes no responsibility for its accuracy. The Appraiser has made no survey of the property.
3. The Appraiser is not required to give testimony or appear in court because of having made this appraisal, with reference to the property in question, unless arrangements have been previously made therefor.
4. The distribution of the total valuation in this report between land and improvements applies only under the existing program of utilization. The separate valuations for land and building must not be used in conjunction with any other appraisal and are invalid if so used.
5. The Appraiser assumes that there are no hidden or unapparent conditions of the property, subsoil, or structures which would render it more or less valuable. The Appraiser assumes no responsibility for such conditions or for engineering which might be required to discover such factors.
6. Information, estimates, and opinions furnished to the Appraiser and contained in this report were obtained from sources considered reliable and believed to be true and correct. However, no responsibility for accuracy of such items furnished the Appraiser can be assumed by the Appraiser.
7. Disclosure by the Appraiser of the contents of this appraisal report is subject to review in accordance with the by-laws and regulations of the professional appraisal organizations with which the Appraiser is affiliated.
8. Neither all nor part of the contents of this report, or copy thereof (conclusions as to property value, the identity of the Appraiser, professional designations, reference to any professional appraisal organizations, or the firm with which he is connected) shall be used for any purposes by anyone but the mortgagee or its assigns and Private Mortgage Insurers, consultants, professional appraisal organizations, any state or federally chartered bank, any department, agency, or instrumentality of the United States or of any State or of the District of Columbia, without the previous written consent of the Appraiser, except upon demand by the Mortgager; nor shall it be conveyed by anyone to the public through advertising, public relations, news, sales, or other media, without the written consent and approval of the Appraiser.
9. On all appraisals involving proposed construction, the appraisal report and value conclusion are contingent upon completion of the proposed improvements in accordance with the plans and specifications prepared by .... with a last revision date of .... which have been initialed by the Appraiser shown on Page 1 of this appraisal report on the following date ....

REQUIREMENTS:

This report is made subject to the following requirements: ....

SYLLABUS FOR

REAL ESTATE SALES AND BROKERAGE

BUSINESS 216

Appreciation is expressed to Thomas W. Lambe, Jr., REALTOR, Lambe-Young Gallery of Homes, Winston-Salem, North Carolina for his cooperation and assistance in developing this syllabus.

BUSINESS 216

Real Estate Sales and Brokerage

I. DESCRIPTION OF COURSE:

A study of the current sales techniques in the real estate industry, including problems in selling as well as emphasis on consumer motivation and reactions. Particular emphasis is placed on morals and ethics related to the sale of real property. Other topics include the methods of securing property listings and prospective customers, bringing the prospect and property together, the use of advertising in the selling function, the basic development of a sales plan and sales presentation.

II. COURSE OBJECTIVE:

Given the materials as presented in this course, the student will be able to define brokerage; be able to do a listing, illustrate a sale, and a closing statement; and determine the factors necessary in establishing and operating a real estate office.

III. COURSE OVERVIEW:

A. History of brokerage
B. Brokerage defined
C. Listing
D. Sales process
E. Establishing and operating a real estate office
F. Closing statement

IV. CREDITS, HOURS, PREREQUISITES:

A. Three (3) quarter hours credit
B. Three (3) class hours per week
C. None

V. EVALUATION:

The evaluation should be based on the completion of stated objectives and should include one or more of the following:

A. Two objective-type tests
    1. Mid-term examination
    2. Final examination
B. Two discussion-type tests as described in A.
C. Two combination tests - objective-type and discussion-type - as described in A and B.

Suggested Time Schedule for Real Estate Sales and Brokerage

Lecture Number	Lecture Hours		Outline Section Number and Title
1	1½		I. History
	1½		II. Brokerage
		3	
2	3		III. Listing
3	3		
4	2		
		8	
5	3		IV. Selling Real Estate
			V. Techniques of Salesmanship
*Examination		2	
6	3		VI. Financing Residential Sale
			VII. Trading Homes
7	3		VIII. Successful Selling Attitude
		9	
8	3		IX. Establishing and Operating a Real Estate Office
9	3		
		6	
10	3		X. Closing Statement
*Examination		2	

*Examination periods may be scheduled at your discretion.

Objective	Content Outline	Activity Experience	Evaluation
I. To introduce the student to the history of the real estate industry.	I. History of Real Estate A. Giving of land 1. Garden of Eden 2. Lord gave parcel of land to Adam and Eve B. Eviction notice 1. First real estate activity 2. Notice by Lord evicting Adam and Eve from property they were living upon - Garden of Eden C. Deed 1. First recorded deeded transaction a. Lord deeded property to Abraham b. Deeded property included all property that was seen from the mountain in certain direction and another direction 2. Present day deeds a. Comparison of biblical deed to present day deed b. Similarity - metes and bounds D. Disputes and wars fought over real estate 1. Hatfields 2. McCoys 3. Baptist minister a. Went to jail for assault b. Disputed with neighbors over location of property line E. Importance of real estate 1. Ownership and rights to real estate 2. Example: Trees planted on property line. (If trees grew over the line, the neighbors could cut off the limbs growing on their side.)	I. Assignment: Lecture/discussion	I. Given an objective- or discussion-type test the student will be able to describe the history of real estate.

Objective	Content Outline	Activity Experience	Evaluation
	3. Air rights Example: In building an office building in Chicago, property owner sold the "air" over his property for more than the surrounding property owners received for their property. F. Condominium time ownership 1. Present trend in real estate 2. Definition: Person can own with rights of ownership in deeded form, recreational homes in the form of condominiums for a specified period of time 3. Example: Own condominium for month of December only		

Objective	Content Outline	Activity Exeprience	Evaluation
II. To be able to define brokerage. To be able to explain the employer/fiduciary relationship. To be able to define and explain the types of brokerage.	II. Brokerage A. General brokerage B. Specialized field of brokerage 1. Residential 2. Commercial 3. Industrial 4. Investment 5. Property management 6. Leisure properties 7. Farm and land 8. Other C. Departmentalized real estate firms 1. General brokerage firm with specialists working in departments 2. Trend from general real estate operation to specialist operation in specific real estate fields	II. Assignment: Lecture/discussion	II. Given an objective-type test, the student will be able to define brokerage, identify the types of brokerage and describe the employer/fiduciary relationship.

Objective	Content Outline	Activity Exeprience	Evaluation
	III. Marketing (Listing) of Real Estate		
A. To be able to define listing and to describe the importance of listing. B. To be able to define the types of listing.	A. Listing 1. Defined 2. Importance of listing B. Types of listing 1. Exclusive 2. Agency 3. Right to sell 4. Options 5. Others	A.-E. Assignment: Lecture/discussion	A. Given an objective-type test, the student will be able to define and describe the importance of listing. B. Given an objective-type test, the student will be able to list the types of listings.
C. To be able to describe the legal process involved in listing.	C. Legality of listing 1. Ownership of property 2. Signing the listing a. Husband's obligation in signing the listing b. Wife' obligation in signing the listing c. Other obligations in signing the listing 3. Importance of legal listing 4. Term of listing	Obtain listing forms from the North Carolina Association of REALTORS (address in bibliography). Class illustration on how to fill out listing forms. (Have students participate in filling out forms.)	C. Given an objective- or discussion-type test, the student will be able to describe the legal process involved in listing.
D. To be able to determine the ways and means of how to find listings.	D. Location (how to locate or find) of listing 1. For sale by owner 2. Advertising for listing 3. Personal solicitation 4. Centers of influence a. Developing referral business b. Best source for finding listing 5. Farming a. Isolation of given area b. Become an expert on isolated area		D. Given an objective-type test, the student will be able to list the five ways and means of how to find listings. or Given a discussion-type test, the student will be able to describe at least two of the five ways and means of how to find listings.

Objective	Content Outline	Activity Experience	Evaluation
E. To be able to describe the procedure involved in the listing process. 2.-a. To be able to prepare a competitive market analysis.	E. Listing process 1. Make an appointment 2. Preparation prior to appointment a. Competitive market analysis (1) Survey of a neighborhood (2) Survey should include: (a) Houses that have been sold (b) Houses for sale (c) Length of time for selling house (d) Arriving at recommended sale price b. Self-preparation for listing presentation (Reasons for using an agent in listing real estate) 3. Servicing the listing (keep owner informed on progress of listing)	E. Class visit to local courthouse to visit the Register of Deeds to: 1. determine the location of deeds 2. determine ownership of property 3. determine financial debt against property 4. obtain legal description of the property 5. determine the price paid for the property Tax Supervisor to: 1. locate the change of ownership 2. determine the size of the property 3. determine how to arrive at the amount of taxes to be paid on property (tax valuation) 4. examine a tax card which shows the improvements on property Discussion of information available from local planning board that could affect the property value of listing (Suggestion: have board member visit class) E. 2.-a. "Getting the Listing" (movie on competitive market analysis)	E. Given the appropriate information the student will be able to describe the listing process procedure either in writing or in class discussion or E. 2.-a. The student will prepare a competitive market analysis based on information provided either on a test or as a class project.

Objective	Content Outline	Activity Experience	Evaluation
	IV. Selling Real Estate	IV. Assignment:	
A. Review of Section III on listing.	A. Property for sale (refer to listing of real estate)		A. Review of listing process - NO written evaluation.
B. To be able to describe the means of prospecting for a buyer.	B. Finding a prospective buyer 1. Prospecting for buyers defined 2. Means of prospecting for buyers a. Community involvement (circulation) b. Advertising c. Personal solicitation d. Corporate contracts e. Developing centers of influence	Lecture/discussion A class project on selling real estate or role playing would be appropriate for this section.	B. Given the appropriate information, the student will prepare a process that can be used to find a prospective buyer, i.e., find a buyer for property. (Class project or role playing.)
C. To be able to determine the wants, needs, desires and financial abilities of the prospective buyer and how this information can be utilized in satisfying the buyer.	C. Qualifying prospective buyer (what to do with buyer) 1. Determine buyer's wants, needs and desires 2. Determine buyer's financial abilities		C. Given the appropriate information, the student will be able to analyze a prospective buyer's financial position and determine the type of property that would be available to the buyer.
D.-H. To be able to plan and present a sales demonstration to a prospective buyer.	D. Planning the sales demonstration E. Asking the prospective buyer for the order F. Drawing the offer from the prospective buyer	D. Movie: "Showing the Property."	D.-H. Given the appropriate information, the student will be able to plan and present a sales demonstration.
G. To be able to describe the types of offers that may be available to a prospective buyer.	G. Types of offers 1. Cash 2. Loan assumption 3. Obtaining new loan 4. Secondary financing 5. Other types	G. Class discussion and participation in drawing an offer. (Obtain offer forms from the North Carolina REALTORS Association.)	
	H. Submitting of offer 1. How to present offer to seller 2. Legal responsibilities in submitting offer 3. Pitfalls of offer presentation	H. Movie: "How to Present the Offer".	

Objective	Content Outline	Activity Experience	Evaluation
V. To be able to demonstrate the three primary techniques of salesmanship: 1. First ten seconds 2. Telephone 3. Asking for the order	V. Techniques of Salesmanship A. First ten seconds of initial meeting B. Telephone usage and techniques C. Techniques of asking for the order 1. Benjamin Franklin close a. Idea against buying b. Reasons for buying 2. Minor decision close 3. Other types of close	V. Assignment: Lecture/discussion Role playing by class in demonstrating salesmanship techniques.	V. Given the appropriate information, the student will be able to demonstrate at least one salesmanship technique.

Objective	Content Outline	Activity Experience	Evaluation
VI. To be able to determine and describe the types of financing residential sales that a salesman may use.	VI. Financing Residential Sale (Salesman's Use) A. Conventional B. Government-insured C. Secondary D. "Mickey Mouse" (sweat equity)	VI. Assignment: Lecture/discussion Illustration and explanation of each financing method.	VI. Given an objective- or discussion-type test, the student will be able to determine and describe the types of financing residential sales that a salesman may use.

Objective	Content Outline	Activity Experience	Evaluation
VII. To be able to describe the types of trading.	VII. Trading Homes A. Types of trading 1. Policy trading 2. Guaranteed trading B. Case studies of successful and unsuccessful trades	VII. Assignment: Lecture/discussion Present and discuss case studies on the successful and unsuccessful trading of homes.	VII. Given the appropriate information, the student will be able to determine if a home trade was a successful or an unsuccessful trade.

Objective	Content Outline	Activity Experience	Evaluation
VIII. To be able to determine why attitude is important for success in selling.	VIII. Successful Selling Attitude A. Attitude: The key to successful salesmanship 1. Attitude defined 2. Explanation of attitude B. Characteristics of success	VIII. Assignment: Lecture/discussion Role playing. Case studies.	VIII. Given the appropriate information, the student will be able to determine attitude's effect on a sale (use case study or role playing situation).

Objective	Content Outline	Activity Experience	Evaluation
IX. To be able to determine the factors necessary to establish a real estate office.	IX. Establishing and Operating a Real Estate Office	IX. Assignment:	IX. Given the appropriate information, the student will be ale to establish a real estate office.
To be able to set up a real estate office.	A. Types of real estate businesses 1. General brokerage 2. Types of specialized brokerages a. Residential b. Commercial c. Industrial d. Farm and land e. Recreation and resort f. Syndication	Lecture/discussion Class project	
	B. Location of real estate office 1. Based upon services rendered 2. Examples		
	C. Capital required 1. Little capital required to begin business 2. Easy to fail in business because of lack of capital		
	D. Accounting: Company dollar concept 1. Not a brokerage process 2. How to make money 3. Where to spend money		
	E. Filing system 1. Numerical system 2. Cross-index a. Buyer b. Seller c. Address	E. Visit a local real estate office to determine the filing system being used.	
	F. Personnel 1. Interviewing 2. Testing 3. Training program		
	G. Organizations available for increased knowledge and participation in real estate field 1. National Association of REALTORS 2. Multiple-Listing Service 3. National Institute of Real Estate Brokers 4. Women's Council of REALTORS 5. Farm and Land Brokers		

Objective	Content Outline	Activity Experience	Evaluation
	H. Forms	H. Discuss in class various forms used in real estate. (Refer to list of forms in bibliography.)	
	I. Policy manual 1. Explanation of manual 2. Importance of manual 3. Review of a typical policy manual	I. Obtain a sample policy manual from the National Institute of Real Estate Brokers. Discuss the policy manual in class.	
	J. Establishing fee schedule 1. Community custom 2. Legality of fee schedules 3. Division of fees with associates and other brokers		
	K. Independent contractor or employee	K. Discuss the government's options on these types of real estate operations: self-employed/employed.	

Objective	Content Outline	Activity Experience	Evaluation
X. To be able to prepare a closing statement.	X. Closing Statements A. Definition of closing statement B. Legal instruments involved C. Types of closing statements D. Tax proration E. Attorney's role in closing F. Loan officer's role in closing G. Buyer's role in closing H. Realtor's role in closing	X. Assignment: Lecture/discussion Have representatives from various businesses involved in closing statements to visit class and discuss their role in closing. Have students prepare a closing statement.	X. The student will prepare a closing statement.

BIBLIOGRAPHY

1. Books

Douglas, Mack R., *How to Make a Habit of Succeeding*. Grand Rapids, Michigan: Zondervan Publishing House, N.D.

Harrison, Henry S., *Houses: The Illustrated Guide to Construction, Design and Systems*. Chicago: National Institute of Real Estate Brokers, 1973.

Himmah, Gael C., *System for Increasing Real Estate Sales*. Englewood Cliffs, New Jersey: Prentice-Hall, Inc., 1967.

Letterman, Elmer G., *How Showmanship Sells*. New York: Manor Books, 1966.

Ling, Mona. *How to Increase Sales and Put Yourself Across by Telephone*. Englewood Cliffs, New Jersey: Prentice-Hall, Inc., 1963.

Morris, L. Allen and Editorial Board. *Marketing Real Estate Successfully*. Chicago: National Institute of Real Estate Brokers, 1964.

National Institute of Real Estate Brokers. *Planning and Designing Your Real Estate Office*. Chicago: National Institute of Real Estate Brokers, N.D.

National Institute of Real Estate Brokers. *Real Estate Salesman's Handbook*. 6th rev. ed. Chicago: National Institute of Real Estate Brokers, 1972.

National Institute of Real Estate Brokers. *Selling Sellers Successfully*. Chicago: National Institute of Real Estate Brokers, N.D.

National Institute of Real Estate Brokers. *The Guaranteed Sales Plan*. Chicago: National Institute of Real Estate Brokers, N.D.

Schwartz, Jack. *How to Get More Business by Telephone*. Los Angeles: Jack Schwartz Telephone Sales Clinic, N.D.

Stone, David. *Training Manual for Real Estate Salesmen*. Englewood Cliffs, New Jersey: Prentice-Hall, Inc., 1965.

Successful Real Estate Salesmanship. California Real Estate Association, 1966.

Whiting, Percy H., *The Five Great Rules of Selling*. New York: McGraw-Hill Book Co., Inc., 1957.

2. Periodicals

3. Audiovisual Aids

*Films:

"How to List Real Estate in a Competitive Market"
"Qualifying the Buyer"
"Presenting the Offer"
"Selling is Communicating"
"I Would If I Only Had the Time"
"In Search of Agreement"

Tapes:

"How to List Real Estate" David Stone Cassette Tape Series

4. Other Sources

NCAR Standard Forms may be ordered from:

Mr. Jim Bichsel
Executive Vice President
N. C. Association of REALTORS, Inc.
P. O. Box 6306
Greensboro, North Carolina 27405
(919) 273-0504

*Order films from: National Institute of Real Estate Brokers
155 East Superior Street
Chicago, Illinois 60611

SYLLABUS FOR
APPRAISAL I
BUSINESS 292

Special appreciation is extended to Mr. Gene White, Real Property Officer, North Carolina Department of Administration, Raleigh, for designing this course.

BUSINESS 292

Appraisal I

I. DESCRIPTION OF COURSE:

A study of the principles and theory of appraising real property. Topics selected include site evaluation, building materials and components, methods of appraising property, and professional organizations.

II. COURSE OBJECTIVE:

Given the materials as presented in this course, the student will be able to apply real estate appraisal theory and related concepts to the appraisal process; to select, evaluate and apply appropriate appraisal concepts and principles to real or hypothetical appraisal problems; and to identify the role and functioning of real estate appraisal.

III. COURSE OVERVIEW:

A. Functioning of real estate appraisal
B. The appraisal process
C. Basic principles of real estate market value
D. Data analysis - neighborhood, district, site
E. The three approaches to value - Cost, Sales or Market, Income
F. Appraisal problem solving

IV. CREDITS, HOURS, PREREQUISITES:

A. Three (3) quarter hours credit
B. Three (3) hours per week
C. Prerequisite: Experience or recommendation by instructor

V. EVALUATION:

Evaluation should be based on the completion of stated objectives and should include one or more of the following:

A. Two objective-type tests
    1. Midterm examination
    2. Final examination
B. Two discussion-type tests as described above or incorporate materials into problem-solving cases
C. Two combination tests - objective-type and discussion-type as described in A and B
D. Select a real or hypothetical real estate problem and evaluate and prepare a report. (Student should choose problem with instructor's guidance).
E. Write a brief or precis on five (5) major periodicals, research reports or books related to real estate appraisal.

INTRODUCTION

The course outline for Appraisal I has been designed to be used with the textbook, The Appraisal of Real Estate. The material in the text and other sources have been selected for the teaching of theory in appraising through lecture/discussion and problem-solving activities.

Students should be encouraged to participate in class discussion, read the text, read from references outlined in each unit and to read and explore periodicals on appraising.

The outline consists of twenty-nine (29) one-hour lectures, two one-hour review periods and two one-hour testing periods.

Objective	Content Outline	Activity Experience	Evaluation
	For each unit heading, discuss chapter subheadings as shown in The Appraisal of Real Estate	Notes:	
I. To analyze the professional background, code of ethics and standards of conduct of the American Institute of Real Estate Appraisers (AIRE)	I. The Professional Appraiser and The Code of Ethics	The following abbreviations will be used: ARE: The Appraisal of Real Estate AIREA: American Institute of Real Estate Appraisers AJ: The Appraisal Journal This course outline has been developed for lecture/discussion of the appraisal process. The instructor should prepare transparencies, handouts and/or any other materials that will be useful in teaching this course Assignment: ARE: Appendix A, pp. 505-506. AIREA Regulation No. 10 - Code of Professional Ethics and Standards of Professional Conduct. Periodicals: Michael E. T. Thorncroft, "The Future of the Professions," The Appraisal Journal, January, 1969, pp. 17-24. M. B. Hodges, Jr., "The Appraiser in Today's Changing Community," The Appraisal Journal, January, 1969, pp. 8-16	I. Given an oral or written test, the student will be able to discuss the professional standards and code of ethics of the American Institute of Real Estate Appraisers

Objective	Content Outline	Activity Experience	Evaluation
		John P. Dolman, "The Appraiser of Tomorrow," The Appraisal Journal, October, 1969; pp. 579-586. John P. Dolman, "The Appraiser's Dilemma," The Appraisal Journal, July, 1967, pp. 380-384. Winston S. Churchill, "The Valuer and His Profession," The Appraisal Journal, July, 1966, pp. 326-328.	
	II. Nature and Purpose of Appraisals and the Appraisal Process	Assignment:	
A. To be able to identify the nature and purposes of appraising	A. Nature and purpose of appraisals	A. ARE: Chapter 1	A. Given an objective-type test, the student will be able to identify the nature and purpose of appraising
B. To be able to define the six basic steps in the appraisal process	B. The appraisal process	B. ARE: Chapter 4	B. Given an objective-type test, the student will be able to list and explain the six basic steps in the appraisal process
		A-B. Form A-20 - Preparation of Demonstration Appraisal Reports. William C. Himstreet, "Writing Appraisal Reports," AIREA 1971, Chapters I thru V, Chapter X.	
III. To be able to identify good business writing techniques and the application of these techniques in writing appraisal reports	III. Good Business Writing and Real Estate Appraisal Reports	Assignment: ARE: Chapter 25 Form A-20 - Preparation of Demonstration Appraisal Reports. William C. Himstreet, "Writing Appraisal Reports," AIREA 1971, Chapters VII and VIII. Periodicals: Waldo Francois, "An Institutional Investor Evaluates the Appraisal Report," The Appraisal Journal, October, 1967, pp. 550-554.	III. Given the appropriate information, the student will be able to write an appraisal report.

Objective	Content Outline	Activity Experience	Evaluation
		Lloyd B. Hanford, Jr., "New Approaches to the Comprehensive Reports," The Appraisal Journal, October 1965, pp. 549-554.	
IV. To be able to define market value To be able to compare and contrast the differences between price, cost and value of real property To be able to discuss the rights and restrictions relative to real estate ownership	IV. The Nature of Real Property and Value	Assignment: ARE: Chapter 2 Periodicals: Byron Church, "What Are We Talking About?" The Appraisal Journal, July 1970, pp. 418-423.	IV. Given an objective-type test the student will be able to define the terms related to real property and value
V. To introduce students to the historical development of valuation theory and its application to appraisal practice	V. History of the Development of Valuation Theory and Its Application to Appraisal Practice	Assignment: ARE: Chapter 2, pp. 14-21 Periodicals: A. M. Weimer, "History of Value Theory for the Appraiser," The Appraisal Journal, January 1953, pp. 8-22. Other References: Alfred Marshall, "Principles of Economics," 1890. Roland R. Renne, "Land Economic," 1947. Richard T. Ely and George S. Wehrwein, "Land Economics," 1940. Allan G. Bruchy, "Modern Economic Thought: The American Contribution," 1947. Lewis H. Haney, "History of Economic Thought," 1936.	V. Given an objective-type test the student will be able to identify valuation theory and apply it to appraising

Objective	Content Outline	Activity Experience	Evaluation
VI. To be able to define and analyze the economic principles affecting real property	VI. Basic Principles of Real Property Market Value (This topic was designed for two hours of lecture.)	Assignment: ARE: Chapter 3	VI. Given an objective-type and/or discussion-type test the student will be able to define and/or analyze the economic principles affecting real property
VII. To introduce students to the statistical techniques of data analysis and their application to appraising	VII. Techniques of Data Analysis A. Real estate statistics B. Application of techniques to real estate appraising C. Conclusion and summary	Assignment: Norman R. Benedict, "Statistical Analysis--Significance for the Appraiser," The Appraisal Journal, October 1972, pp. 618-629. Ron Brown and Karel J. Clettenbert, "Statistics: Some Applications for the Real Estate Analyst," The Appraisal Journal, October 1972, pp. 630-643. Fred E. Case, "New Decision Tools for Appraisers," The Appraisal Journal, January 1967, pp. 21-27. William C. Pendleton, "Statistical Inference in Appraisal and Assessment Procedures," The Appraisal Journal, January 1967, pp. 73-82. Other References: Fadil H. Zuwaylif, General Applied Statistics (Addison-Wesley Publishing Company, 1970)	VII. Given the appropriate information the student will be able to solve a real estate appraisal problem using the techniques of data analysis
VIII. To analyze the characteristics and techniques of collecting data for neighborhood and district analysis	VIII. Neighborhood and District Analysis (This topic was designed for two hours of lecture.)	Assignment: ARE: Chapter 6 Jerome Knowles, Jr., "City and Neighborhood Data and Analysis," The Appraisal Journal, April 1967, pp. 260-268.	VIII. Given the appropriate information the student will be able to determine the technique to use in collecting data for a neighborhood and/or district analysis

Objective	Content Outline	Activity Experience	Evaluation
IX. To be able to identify the legal procedures necessary and the physical factors affecting a site	IX. Site Analysis	Assignment: ARE: Chapter 7 Periodicals: Benton Wallace, "Cheaper by the Dozen?" The Appraisal Journal, January 1968, pp. 84-89.	IX. Given the appropriate information the student will be able to determine the feasibility of a site and the relationship of the site to surrounding areas
X. To be able to determine the highest and best use of a site	X. Highest and Best Use Analysis	Assignment: ARE: Chapter 3, pp. 43-45; Chapter 7, pp. 131-133	X. Given the appropriate information the student will be able to determine the highest and best use of a site
XI. To be able to identify the procedures available to the appraiser for the valuation of land and to compare and contrast the procedures	XI. Site Valuation (This topic was designed for two hours of lecture.)	Assignment: ARE: Chapter 8	XI. Given the appropriate information the student will be able to identify and determine the best procedure to use for valuation of a particular property
XII. To be able to apply the four methods of valuing sites to a real or hypothetical problem	XII. Application of Four Methods of Valuing Sites A. Market data B. Abstractation C. Anticipated use on development D. Land residual	Assignment: ARE: Chapter 8 Single Family Residential Demonstration Appraisal Report	XII. Given the appropriate information the student will be able to apply the methods of site valuation to a real or hypothetical problem
XIII. Review and examination	XIII. Review and Examination (one hour of review or problem solving and one hour of examination)	Review and examination	XIII. Review and examination

Objective	Content Outline	Activity Experience	Evaluation
XIV. To introduce the student to the three approaches used in appraising real property value	XIV. The Three Approaches to Value A. Cost approach B. Market data approach (sales comparison) C. Income approach (economic)	Assignment: ARE: pp. 64-71 Periodicals: Richard U. Ratcliff, "Capitalized Income is Not Market Value," The Appraisal Journal, January 1968, pp. 33-40.	XIV. Given an objective-type test the student will be able to identify the three approaches used in appraising real property
XV. To be able to identify the steps involved in making a cost approach appraisal	XV. The Cost Approach	Assignment: ARE: Chapter 14 Periodicals: John F. Adams, Jr., "Analysis of Factors Influencing Value," The Appraisal Journal, April 1969, pp. 239-242.	XV. Given a problem-solving activity the student will be able to use the steps in a cost approach appraisal
XVI. To be able to identify and estimate the costs of buildings, materials and equipment	XVI. Building Cost Estimates	Assignment: ARE: Chapters 11 and 12	XVI. Given an objective-type test or a problem-solving activity the student will be able to identify and estimate building costs
XVII. To be able to identify the factors affecting depreciation and to identify the methods of depreciation used in appraising	XVII. Depreciacion (This topic was designed for two hours of lecture.)	Assignment: ARE: Chapters 9, 11, 13, and 23. Periodicals: John K. Roche, "The Assessor's View of Depreciation," The Appraisal Journal, April 1967, pp. 223-225. Jerome Knowles, Jr., "Estimating Accrued Depreciation," The Appraisal Journal, January 1967, pp. 34-43.	XVII. Given the appropriate information the student will be able to apply the appropriate depreciation method to appraising real property

Objective	Content Outline	Activity Experience	Evaluation
XVIII. To be able to use the cost approach method in appraising	XVIII. Review and Conclusions Regarding the Cost Approach	Assignment: Periodicals: Julius L. Sackman, "The Limitation of the Cost Approach," The Appraisal Journal, January 1968, pp. 53-63.	XVIII. Given an appraisal problem the student will be able to solve the problem using the cost approach
XIX. To introduce the student to the market data approach	XIX. Market Data Approach (Sales Comparison)	Assignment: ARE: Chapters 15 and 16	XIX. Given an objective-type test the student will be able to identify the market data approach and its purpose in appraising
XX. To be able to identify the elements and units of comparison and the methods of adjustment in the market data (sales comparison) approach and to apply these techniques	XX. Market Data Approach A. Elements of comparison B. Units of comparison C. Methods of adjustment (This topic was designed for two hours of lecture.)	Assignment: ARE: Chapters 15 and 16 Periodicals: William M. Shenkel, "Modernizing the Market Data Approach," The Appraisal Journal, April 1967, pp. 181-198. Y. T. Lum, "Comparison and Use of Market Data in Preparation for Expert Testimony," The Appraisal Journal, pp. 178-184.	XX. Given an appraisal problem the student will be able to solve the problem using the market data (sales comparison) approach
XXI. To be able to use the market data approach	XXI. Market Data Approach (Sales Comparison) A. Application B. Conclusions and summary	Single Family Residential Demonstration Appraisal Report	XXI. Given an appraisal problem the student will be able to solve this problem using the market data approach
XXII. To be able to identify the procedure (steps) for making an income approach appraisal	XXII. The Income Approach A. Gross income estimates B. Analysis of expense	Assignment. ARE: Chapters 4, 17, 18 Periodicals: Paul F. Wendt, "Recent Developments in Appraisal Theory," The Appraisal Journal, October 1969, pp. 485-500.	XXII. Given an objective-type test the student will be able to follow the procedure for making an income approach appraisal

Objective	Content Outline	Activity Experience	Evaluation
XXIII. To be able to develop the appropriate capitalization rate for the appraisal method and technique selected	XXIII. Capitalization Rates A. Development of appropriate rates for selected methods and techniques B. Application of capitalized income approach methods and techniques C. Capitalization - straight line method	Assignment: ARE: Chapter 19, 20, 21	XXIII. Given an objective-type test or a problem the student will be able to develop the appropriate capitalization rate
XXIV. To be able to use the income method in appraising	XXIV. Income Method - Conclusions	Assignment: ARE: Chapter 19, 20, 21	XXIV. Given an appraisal problem the student will be able to solve the problem using the income approach method
XXV. To be able to arrive at estimate of the defined value (cause-effect and conclusion)	XXV. Analysis of Value A. Reconciliation B. Correlation	Assignment: ARE: Chapter 24	XXV. Given an appraisal problem the student will be able to use the cost, market data and income approaches and arrive at the estimate of defined value (conclusion)
XXVI. Review and final examination	XXVI. Review and Examination (One hour of review and/or problem-solving and one hour of examination)	Review and examination	XXVI. Review and examination

BIBLIOGRAPHY

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1. Books

Textbook: Textbook Committee. The Appraisal of Real Estate. 6th ed. Chicago: American Institute of Real Estate Appraisers, 1973.

American Institute of Real Estate Appraisers. Appraisal Terminology and Handbook. 5th ed. Chicago: American Institute of Real Estate Appraisers.

Babcock, Henry A. Appraisals Principles and Procedures. Homewood, Illinois: Richard D. Irwin, Inc., 1968.

Case, Fred E. The Challenge of Teaching Appraisal Courses. Chicago: Society of Real Estate Appraisers Charitable Foundation, 1966.

Creteau, Paul G. Real Estate Appraising (Step by Step). Portland, Maine: Castle Publishing Company, 1972.

Dilmore, Gene. The New Approach To Real Estate Appraising. Englewood Cliffs, New Jersey: Prentice-Hall, Inc., 1971.

Friedman, Edith J. (ed.) Encyclopedia of Real Estate Appraising. Englewood Cliffs, New Jersey: Prentice-Hall, Inc., 1968.

McMichael, Stanley L. McMichael's Appraising Manual. 4th ed. Englewood Cliffs, New Jersey: Prentice-Hall, Inc., 1951.

Ring, Alfred A. The Valuation of Real Estate. 2nd ed. Englewood Cliffs, New Jersey: Prentice-Hall, Inc., 1970.

Schumacher, David T. Real Estate Appraisal I: A Teacher's Guide. California: Department of Real Estate, 1970.

Schumacher, David T. Real Estate Appraisal I: Student Manual. California: Department of Real Estate, 1970.

2. Periodicals:

Periodical selections from The Appraisal Journal are included throughout the outline. Copies of these articles should be available from the American Institute of Real Estate Appraisers, 155 East Superior Street, Chicago, IL 60611.

3. Audiovisual:

Instructor may wish to prepare transparencies and/or slides for use in lecturing.

4. Other Sources

American Institute of Real Estate Appraisers.
155 East Superior Street
Chicago, Illinois 60611

Mr. Jim Bichsel
Executive Vice President
North Carolina Association of REALTORS, Inc.
American Institute of Real Estate Appraisers
North Carolina Chapter 40
P. O. Box 6306
Greensboro, North Carolina 27405
(919) 273-0504

Society of Real Estate Appraisers
7 South Dearbo Street
Chicago, Illinois 60603
(312) 346-7422

APPENDIX

THE APPRAISAL JOURNAL

SPECIAL STUDENT SUBSCRIPTION

The Circulation Manager
The Appraisal Journal
155 East Superior Street
Chicago, Illinois 60611

I am a student in the Real Estate Appraisal course being conducted at ______________________ starting ___________, 197_. I hereby apply for an introductory one-year subscription to THE APPRAISAL JOURNAL at the special rate of $5.00. Please start my subscription with the ________________ issue.

MAIL TO: ____
Please print

____
Address

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City State Zip

SIGNED ____

COUNTERSIGNED ____

(This order not valid unless countersigned by the instructor and accompanied by payment.)

DATE ______________________

THE APPRAISER

SPECIAL STUDENT SUBSCRIPTION

American Institute of Real Estate Appraisers
155 East Superior Street
Chicago, Illinois 60611

I am a student in a Real Estate Appraisal course being conducted at ____________________ starting __________, 197_. Please enter my name for a one-year rate ($4.00) subscription for THE APPRAISER (ten issues - no issues published in July or August). Subscription year starts in September through June of the following year.

NAME ____
Please Print

STREET ____

CITY ____________________ STATE __________ ZIP __________

DATE ____________________

SIGNED ____

COUNTERSIGNED ________________________________

NOTE: This order not valid unless accompanied by payment and countersigned by instructor

Students who already have purchased $4.00 student-rate subscriptions may only renew them at the regular $7.50 rate.

BUSINESS 239

Marketing*
(Introduction to Marketing)

DESCRIPTION OF COURSE:

A general survey of the field of marketing with a detailed study of the functions, policies, and institutions involved in the marketing process.

COURSE HOURS PER WEEK: Class, 3; Laboratory, 0.

QUARTER HOURS CREDIT: 3

PREREQUISITES: None

MAJOR DIVISIONS OF COURSE CONTENT:

I. Historical development of marketing up to present day

II. Role of consumer in marketing

III. Consumer goods and industrial goods

IV. Channels of distribution

V. Importance of marketing research

VI. Brands and packaging

VII. Pricing

VIII. Distribution

IX. Marketing applications

SUGGESTED TEXTBOOKS:

Bechman, Theodore N. Marketing. New York: Ronald Press Co., 1962.

Converse, Paul D. Elements of Marketing. Englewood Cliffs, New Jersey: Prentice-Hall, Inc., 1958.

Elling, Karl A. Introduction to Modern Marketing. New York: The Macmillan Co., 1969.

Phillips, Charles F. Marketing Principles and Methods. Homewood, Illinois: Richard D. Irwin, Inc., 1964.

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*This is an abstract of the Introduction to Marketing syllabus. For a complete copy of the syllabus, write to Program Development Division, Department of Community Colleges, Education Building, Raleigh, NC 27611.

Stanton, William J. Fundamentals of Marketing. New York: McGraw-Hill Book Co., 1967.

ENGLISH 206

Business Communication*

DESCRIPTION OF COURSE:

The course is designed to develop skill in writing business communication. Emphasis is placed on the types of business communication - response and reply letters, sales letters, credit letters, application letters, inter-office memorandums, minutes of meetings, etc. - used in business and industry.

COURSE HOURS PER WEEK: Class, 3; Laboratory, 0

QUARTER HOURS CREDIT: 3

PREREQUISITES: English 101 Grammar
English 102 Composition

MAJOR DIVISIONS OF COURSE CONTENT:

I. Review of the problems in communication.

II. Grammar review.

III. Study of the basic principles of writing, letter formats and mechanics.

IV. Identification of types of letters and other forms of correspondence used in business and industry.

V. Business report writing

VI. Dictation unit.

VII. Emphasis on problem-solving approach in developing personal writing style.

SUGGESTED TEXTBOOKS:

Aurner, Robert R. and Morris P. Wolf. Effective Communication in Business. 5th ed. Cincinnati: South-Western Publishing Co., 1967.

Fruehling, Rosemary T. and Sharon Bouchard. Business Correspondence. New York: McGraw Hill Book Co., 1971.

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*This is an abstract of the Business Communication syllabus. For a complete copy of the syllabus, write to Program Development Division, Department of Community Colleges, Education Building, Raleigh, NC 27611.

Garrett, Eleanor W., *Self-Instructional Course in Business Communications*. Author's address: Route 1, Box 217, Midland, North Carolina 28107.

Robertson, Mary and Charles F. Walker. *Practical Business Correspondence for Colleges*. 3rd ed. Cincinnati: South-Western Publishing Co., 1966.

Shurter, Robert L., *Written Communication in Business*. 3rd ed. New York: McGraw-Hill Book Co., 1971.

SUGGESTED REFERENCES:

Gavin, Ruth E. and William A. Sabin. *Reference Manual for Stenographers and Typists*. 4th ed. New York: Gregg Division, McGraw-Hill Book Co., 1970.

Hodges, John C. and Mary E. Whitten. *Harbrace College Handbook*. 7th ed. New York: Harcourt Brace Jovanovich, Inc., 1972.

Webster's Seventh New Collegiate Dictionary. Springfield, Massachusetts: G. & C. Merriam Co., Publishers, 1969.

FIFTH QUARTER

SYLLABUS FOR
REAL ESTATE INVESTMENT AND TAXATION
BUSINESS 221

Appreciation is expressed to Herman Wolff, Jr., Attorney-at-Law, Wolff, Harrell and Mann, Raleigh, North Carolina, for his cooperation and assistance in developing this syllabus.

BUSINESS 221

Real Estate Investment and Taxation

I. DESCRIPTION OF COURSE:

A study of fundamental investment concepts, timing and methods of financing, designed to provide the prospective investor with a guide to successful real estate investment. Emphasis will be placed on investment during the development process, what to buy and how to buy. Other topics to be discussed are how to take title, when to invest in real estate corporations and trusts, tax consequences and the influence of federal and state laws on real estate investments.

II. COURSE OBJECTIVE:

Given the materials as presented in this course, the student will be able to evaluate the reasons for and against investing in real estate and to determine the ways and means for taxing investments.

III. COURSE OVERVIEW:

A. Real estate acquisitions
B. Financing investments
C. Basis for determining taxation or investments
D. Real estate expenses
E. Capital gains and dealer-investor problems
F. Depreciation recapture
G. Installment sales
H. Involuntary conversions and tax-free exchanges
I. Corporate liquidations

IV. CREDITS, HOURS, PREREQUISITES:

A. Three (3) quarter hours credit
B. Three (3) class hours per week
C. Prerequisites: Accounting - Business 120, 121
Real Estate Law - Business 164
Real Estate Finance - Business 209

V. EVALUATION:

The evaluation should be based on the completion of stated objectives and should include one or more of the following:

A. Two objective-type tests:
  1. Mid-term examination
  2. Final examination
B. Two discussion-type tests as described in A.
C. Two combination tests - objective-type and discussion-type - as described in A and B.

Objective	Content Outline	Activity Experience	Evaluation
	I. Introduction - Investments	I. Assignment:	I. Given the appropriate information, the student will be able to use the strategy techniques in selecting an investment.
A. To introduce student to the economic importance of investing.	A. Economic importance of investing		
B. To be able to determine the strategy involved in selecting an investment.	B. Investment Strategy 1. Selection of investment 2. Decision process 3. Risk of investing a. Interest rate risk b. Inflation risk c. Psychological risk 4. Benefits of investing	Lecture/discussion Case study in investing. Problems on how to determine the strategy involved in choosing an investment.	

Objective	Content Outline	Activity Experience	Evaluation
II. To be able to determine the types of real estate available for acquisition.	II. Real Estate Acquisitions	II. Assignment:	II. Given an objective- or discussion-type test, the student will be able to define the types of real estate available for acquisition and the advantages and disadvantages of each.
A.-B. To be able to compare and contrast the advantages and disadvantages of the forms of ownership and to select an investment based on this knowledge.	A. Form of ownership 1. Partnership a. Defined b. Advantages and disadvantages (1) Gains taxable to partners (2) Losses deductible to partners (3) Not a separate taxable entity 2. Corporation a. Defined b. Advantages and disadvantages (1) Limitation on personal liability (2) Continuity of ownership (3) Lower corporate rates in cases of high-bracketed taxpayers 3. Subchapter S. corporations a. Defined b. Pass through to stockholders of gains and losses c. Limitations on use - less than 10 individual stockholders and no more than 20% of gross from rents, interest, etc. 4. Association a. Taxable as corporations b. Corporate characteristics (1) Limited liability (2) Continuity of life (3) Centralized management (4) Freedom in transferring interest	Lecture/discussion Illustrate the various forms of ownership.	

Objective	Content Outline	Activity Experience	Evaluation
	5. Real estate investment trusts a. Large organization b. Not subject to corporate tax treatment c. Tests to determine type of tax treatment (1) Ownership test - at least 100 with no 5 owning more than 50% (2) Income - at least 90% of gross income from investments, at least 75% of gross from real estate investments, and no more than 30% of gross from sale of securities held less than 6 months or real estate held less than 4 years (3) Asset - at least 75% of trust assets in real estate, cash, government securities (4) Distribution - 90% of income from real estate distributed 6. Limited partnerships a. One partner must be liable for all obligations of partnership b. Other limited partners are not liable for partnership obligations B. Case study - different types of acquisitions		

Objective	Content Outline	Activity Experience	Evaluation
III. To be able to compare and contrast the various means for financing investments.	III. Financing Investments A. Acquistion of mortgaged property 1. Mortgage as part of finance basis 2. Partnership rules in financing B. Mortgage loans on existing property 1. No effect on finance basis 2. No taxable event C. Disposing of mortgaged property at a gain 1. Balance of mortgage debt treated as realized to seller 2. Rule applies to foreclosure sale D. Repossession of real estate by a seller 1. Section 1038, Internal Revenue Code (I.R.C.) - applied only to seller, not a lender 2. No loss is realized by seller on re-acquisition 3. Limited on gain to seller on re-acquisition	III. Assignment: Lecture/discussion Have a local representative from an investment firm visit the class and discuss the various means for financing investments. Case studies	III. Given an objective- or dicussion-type test, the student will be able to compare and contrast the various ways and means for financing investments. or Given the appropriate information, the student will be able to determine the appropriate ways and means for financing a particular investment.

Objective	Content Outline	Activity Experience	Evaluation
IV. To be able to determine the basis for taxation on investments using the original cost plus or minus certain adjustments	IV. Basis for Determining Taxation on Investment - Original Cost - Plus or Minus - Certain Adjustments	IV. Assignment.	IV. Given the appropriate information, the student will be able to determine the basis to use for determining taxes on an investment.
	A. Expenditures on purchase of property 1. Cost of original acquisition, including commissions and other expenses incurred in the acquisition 2. Gift-property basis is fair market value at time of gift, or donor's basis, whichever is lower 3. Inherited property basis is fair market value on date of death or valuation date one year from date of death 4. Mortgages included in basis if property is acquired subject to the mortgage 5. Costs of mortgage a. Appraisal fees b. Title costs c. Legal fees and survey costs - amortized over life of mortgage	Lecture/discussion Case studies Problem-solving for taxation and investment.	
	B. Capital expenditures versus deductible expenses 1. Repairs are currently deductible as an expense while capital improvements are to the basis of the property 2. General rule - if the useful life of the property or the value of the property is increased, then there is an improvement rather than a repair 3. If option is exercised to capitalize carrying charges, interest and taxes, these are added to basis		
	C. Demolition losses 1. Decisive element is intent 2. If intent is to demolish buildings now or later then no deduction is allowed for demolition or removal costs of the building, such costs being added to the basis in the land		

Objective	Content Outline	Activity Experience	Evaluation
	D. Allocation between land and building 1. Since land is not depreciable, allocation must be made of the costs between the land and buildings 2. Can be done by appraisal or in terms of assessed valuation for local real estate tax purposes E. Basis of individual lots after subdividing 1. Costs incurred in developing and subdividing real estate are allocated among the lots produced in the subdivision 2. Costs include the expenses of creating the subdivision and constructing streets, utilities and other facilities 3. Dedication of land for street purposes does not give rise to current deduction when the subdivider receives a direct economic benefit F. Apportionment of taxes in year of sale 1. Real property tax in year of sale must be apportioned between buyer and seller, even if no adjustment is made between them 2. Factors used a. Real property tax year b. Date of sale 3. If buyer pays all, the portion that is allocable to the seller is added to basis and the remaining portion is currently deductible		

Objective	Content Outline	Activity Experience	Evaluation
V. To **be able** to identify **the expenses applicable** to real estate	**V.** Real Estate Expenses	**V.** Assignment.	V. Given an objective- or discussion-type test, the student will be able to determine the expenses applicable to real estate (1) landlord and tenant responsibility (2) initial writeoffs (3) annual writeoffs (4) tax losses and cash flow
A. To be able to define the **responsibility** of tenant **and** landlord for expenses **on** leasehold **improvements**.	**A.** Landlord and tenant 1. Leasehold improvements a. Landlord is not required to adjust basis (Section 109) b. Cost can be recovered by tenant over the shorter of the useful life of the improvement or the remaining lease term 2. Costs incurred in acquiring an existing leasehold are amortized over remaining term of the lease 3. Effect of options to purchase on deductions as "rent" or "equity" payments	Lecture/discussion Problem-solving - depreciation	
B. To be able to define the initial writeoffs applicable for deduction on property.	B. Initial writeoffs 1. Real property transfer to taxes and mortgage taxes are deductible if property is acquired in a trade or business or for the production of income 2. Election to capitalize or to deduct interest, taxes, and carrying charges (Section 266) 3. First-year depreciation (Section 179) a. **Allows additional 20% depreciation on personalty (not real estate) in year of purchase, even if purchased on last day, and asset has useful life of** six years b. **Limit is $2,000 on a single return and $4,000 on a joint return** c. **In partnerships each partner, if he files a joint return can claim 20% on up to $20,000 worth of this asset type for first-year depreciation**		

Objective	Content Outline	Activity/ Experience	Evaluation
	4. Overhead expenses a. Advertising b. Administrative c. Other selling expenses 5. Investment credit - applicable only to tangible personal property or other tangible property, not including a building and its structural components, components, and then only if such other tangible property is used in certain specified ways, such as in connection with manufacturing, production, storage, transportation 6. Definitions a. Included property b. Excluded property c. Broadly speaking, up to 7% of "qualified investment" in new, and to a limited extent in used, depreciable property may be subtracted from tax liability d. Dollar limitations		
C. To be able to define the annual writeoffs applicable for deduction on property To be able to define and figure the methods of depreciation	C. Annual writeoffs 1. Amortization a. Mortgage acquisition costs b. Lease acquisition costs c. Leasehold acquisition costs d. Leasehold improvements (as restricted by Section 178) - where lease life is shorter than life of the asset 2. Depreciation a. Applied to property used in a trade or business or which is held for the production of income b. Internal Revenue Service (IRS) guidelines - generally longer than actual useful economic life to the investor or user, or as determined in court proceedings		

Objective	Content Outline	Activity Experience	Evaluation
	3. Land improvements, i.e., excavating, grading and earth moving, all related to setting a building, are depreciable 4. Component parts depreciation a. Applies basically to new property only b. Various components of building, i.e., roof, ceiling, flooring, plumbing, electrical, etc., are each depreciated at a different rate 5. Methods of depreciation a. Straight line (1) Depreciation is spread equally over the useful life of the property (2) Salvage value must be taken into account b. Accelerated depreciation (1) Residential (2) Permit the acceleration of disproportionate amount of the deductions to the earlier years of useful life c. Double declining balance - a uniform rate which cannot exceed 200% of the applicable straight-line rate is applied each year to the adjusted basis of the property d. Sum-of-the-years-digits (1) A decreasing fraction is used each year to compute the depreciation deduction (2) The denominator remains constant and is the sum of the number of all the years of the useful life of the asset (3) The numerator reduces by 1 each year and for the first year is the number of years of useful life of the asset		

Objective	Content Outline	Activity Experience	Evaluation
	6. Limitations on use of double declining balance and sum-of-the-years-digits [Section 167 (j)] a. Must be new property, restricted to residential rental housing b. At least 80% of the gross income must be from dwelling units, excluding transient units 7. Used residential property - maximum depreciation allowable is 125% declining balance method, but only if useful life is 20 years or more 8. Declining balance method - nonresidential property a. On new property maximum is 150% b. On used property, taxpayer is limited to straight-line method 9. Change to straight-line method from accelerated method may be done at any time without permission of I.R.S.		
D. To be able to determine the affect of tax losses and cash flow on a real estate investment.	D. Tax losses and cash flow 1. Principal attraction of real estate as an investment is that depreciation produces a loss for tax purposes 2. Positive cash flow a. Defined - a surplus of cash receipts over cash disbursements, while at the same time the tax deductible expenses (including depreciation) exceed the income, generating a tax loss b. In computing cash flow principal payments on mortgage and certain capital improvements are cash outlays which reduce the income but which are not deductible for tax or accounting purposes		

Objective	Content Outline	Activity Experience	Evaluation
	3. Second factor for producing tax loss a. Basis used to compute depreciation includes normally the mortgage on the property and accordingly the depreciation deduction is not limited to the cash invested or income earned on the project b. In traditional real estate financing, the amount of leverage available, i.e., the proportion of borrowed funds to equity investment, far exceeds customary financing on other types of property 4. Positive cash flow and tax losses continue for so long as the depreciation (a non cash deduction) exceeds the mortgage amortization (a non deductible cash outlay) 5. Partnership ownership a. When property is highly leveraged, investment and tax opportunities are great b. Desirable for the opportunities to flow to the individual participants, through partnership ownership. Not generally possible in a corporation since corporation is a separate taxable entity. c. In corporation, tax loss is deferred until project produces taxable income and the original losses used to offset the income. Since corporate losses can be carried forward only five years, frequently depreciation and interest deductions are totally or partially wasted for tax purposes. Moreover, cash distributions to corporate shareholders in excess of their stock basis is taxable to them		

Objective	Content Outline	Activity Experience	Evaluation
	d. The partnership, which is a non-taxable entity and a mere conduit for the partners, permits the partners to deduct tax losses as incurred		

Objective	Content Outline	Activity Experience	Evaluation
VI. To be able to identify capital gains that affect investments. To be able to define some of the dealer-investor problems related to property.	VI. **Capital** Gains and **Dealer**-Investor Problems A. Since partnership entity is a conduit, amounts distributed to a partner retain the same character, i.e., capital gains, tax-exempt interest, etc. B. Capital gains rates are more favorable than ordinary rates if gain is a long-term capital gain C. Long-term capital gains rates apply when property has been held (owned) for more than six months D. Capital gains applies when there is a gain on the sale of a capital asset (Sections 1221 and 1231- I.R.C.) E. **Define** capital asset (Section 1231-I.R.C.) F. Real estate dealer as an investor in real estate 1. Supreme Court holds that if property is held primarily for investment then sale by the dealer will be at capital gains rate 2. Court criteria a. Method and purpose of acquiring b. Holding period c. Development activities d. Solicitations of sales and advertising	VI. Assignment: Lecture/discussion	VI. Given an objective- or discussion-type test, the student will be able to define and/or discuss the capital gains affecting investments and problems of the dealer-investor.

Objective	Content Outline	Activity Experience	Evaluation
VII. To be able to define the purpose of and the limitations of depreciation recapture rules	VII. Depreciation Recapture A. Purpose: to treat so much of the gain on a sale or disposition that is due to previously deducted depreciation as ordinary income rather than capital gain [Sections 1245 (personalty) and 1250 (realty) - I.R.C.] B. Limitations: applies only to depreciation deducted after certain dates, and then, in the case of real estate, only a part of the previously deducted depreciation is subject to recapture C. Depreciation recapture on personalty (1245) 1. Compare gain on transaction with depreciation deducted on the property since 1961 2. If gain exceeds post-1961 depreciation, portion of gain that is equal to post-1961 depreciation is treated as ordinary income and the balance as capital gain 3. If post-1961 depreciation exceeds the gain, the full gain is treated as ordinary income D. Depreciation recapture on real property (1250) 1. Applies to depreciation claim since 1963 2. Property held for less than 1 year: all depreciation claimed to the extent of the gain is taxed as ordinary income 3. Property held for more than 1 year: recapture rules apply only to "excess" depreciation claimed, i.e., depreciation claimed using one of the accelerated methods and then only to the "additional" depreciation on the amount claimed under accelerated method which exceeds what could have been claimed under straight-line method	VII. Assignment Lecture/discussion	VII. Given an objective- or discussion-type test, the student will be able to define and/or discuss the purpose and limitations of the depreciation recapture rules.

Objective	Content Outline	Activity Experience	Evaluation
	E. Pre-1970 depreciation 1. The longer the holding period the smaller the applicable percentage of gain which is taxed as ordinary income 2. Property held 13-20 months: to the extent of the gain, additional depreciation is taxed 100% as ordinary income 3. Property held 21-120 months: applicable percentage is reduced 1% for each month held after the 20th month. After 120 months, recapture provisions do no apply F. Post 1/1/70 depreciation 1. Non-residential property: 100% of excess depreciation claimed after January 1, 1970, is recaptured as ordinary income (to the extent of the gain) 2. Residential property: 100% of excess depreciation is recaptured as ordinary income if the sale takes place within 100 months of acquisition. If held more than 100 months, the amount of ordinary income recaptured is reduced 1% per month so that property held more than 200 months is not subject to recapture rules G. Recapture rules not limited to sales 1. Corporate liquidations and distribution of assets to shareholders (Includes property distributed as a dividend and to sales within the 12-month period by a corporation liquidating under Section 337 -I.R.C.) 2. Generally, recapture rules do not apply to gifts, transfers on death, tax-free exchanges (except where boot is involved) and involuntary conversions		

Objective	Content Outline	Activity Experience	Evaluation
VIII. To be able to define the purpose for and the limitations of installment sales. To be able to compute an installment sale.	VIII. Installment Sales A. Purpose: To permit the reporting of gain when the dollars are collected by the seller B. Limitation: Seller must receive less than 30% of the sales price in the year of sale C. Computations	VIII. Assignment: Lecture/discussion Illustration/problem-solving	VIII. Given the appropriate information, the student will be able to compute an installment sale. and/or Given an objective- or discussion-type test, the student will be able to define the purpose and limitations of installment sales.

Objective	Content Outline	Activity Experience	Evaluation
IX. To be able to define and describe the affect of involuntary conversion on property. To be able to define and describe the affect of tax-free exchange on property.	IX. Involuntary Conversions and Tax-Free Exchanges A. Sections 1033 and 1031 of the I.R.C. permit the deferral of gain on the disposition of one piece of property if prescribed rules are followed and if, in effect, the investment is continued in another piece of property B. Involuntary conversions 1. Definition includes condemnation, destruction by the elements, and theft 2. Losses are always deductible when incurred, but gain from a conversion may be deferred if converted property is replaced by qualified property 3. Taxpayer has the election to report gain or to defer 4. Proceeds from conversion must be used to acquire property which is "similar or related in service or use" a. "Similar or related in service or use": In case of a real estate condemnation, the replacement by property of a "like kind" is treated as property "similar or related in service or use" to the property converted b. "Like kind": Improved and unimproved real estate are considered to be of "like kind" 5. Time for replacement a. Last day of the taxable year following the first taxable year in which any part of gain on conversion is realized b. Time may be extended by I.R.S.	IX. Assignment: Lecture/discussion Case studies	IX. **Given an objective- or discussion-type test, the student will be able to define and describe the affect of involuntary conversions and tax-free exchanges of property.**

Objective	Content Outline	Activity Experience	Evaluation
	C. How 1033 applies 1. If all of proceeds received from conversion are reinvested, then entire gain is deferred until replacement property is disposed of 2. If only part of proceeds are reinvested, the proceeds not reinvested are taxed at time of conversion up to the amount of the gain D. Basis of replacement property: Is the adjusted basis in the old property plus any gain recognized on the conversion minus any cash realized E. Tax-free exchanges 1. Where one property is exchanged for another property of "like kind" there is no taxable event 2. Applies only to exchanges of property held in productive use in business or in investment for like property also so held (Section 1031) 3. Neither gain nor loss is recognized 4. Effect of mortgage debt assumed and transferred 5. Basis of property received 6. Allocation of basis between land and building 7. Three-way exchanges		

Objective	Content Outline	Activity Experience	Evaluation
X. To be able to describe the rules applicable to corporate liquidations: (1) Section 337 - I.R.C. (2) Section 333 - I.R.C. (3) Section 332 - I.R.C. To be able to define the two capital gains taxes related to corporate liquidation	X. Corporate Liquidation A. Assumption is that real estate is the principal corporate asset and that the real estate is to be sold B. Capital gains tax 1. On the corporation on the sale 2. On the shareholders upon receipt of the liquidating distribution from the corporation 3. The double tax historically was avoided by distributing the assets to the shareholders in liquidation and at fair market value. The shareholders paid capital gains tax on the distribution, and when the real estate was sold by the shareholders at the same fair market value there would be no double tax C. Section 337 - Liquidation within 12 months If a corporation adopts a plan of complete liquidation and distributes all its assets within 12 months from the date of adoption of the plan no gain or loss will be recognized on the corporate level from the sale or exchange of its property within such 12 month period. Installment obligations which are received by the corporation in a sale of its assets are taxed to shareholders at their fair market value. In other words, the stockholders are prevented from reporting the obligations received by them from the corporation on the installment basis, which is a drawback in a 337 liquidation.	X. Assignment: Lecture/discussion Handouts of Sections 337, 333, and 332 if available.	X. Given an objective- or discussion-type test, the student will be able to describe the rules applicable to corporate liquidations and to define the capital gain taxes which are applicable.

Objective	Content Outline	Activity Experience	Evaluation
	D. Section 333 - One month liquidation Qualified electing shareholders are permitted to receive, without the recognition of gain, appreciated property of a corporation completely liquidated if the corporation has no earnings and profits or cash, or marketable securities, provided the liquidation is completed within one calendar month. Where the corporation has earnings and profits, or cash and marketable securities, the shareholders are taxed at ordinary income rates to the extent of earnings and profits and at capital gains rates to the extent that cash and securities exceed the corporate earnings and profits. Basis to the shareholder of property received in a one-month liquidation is the same as the shareholder's stock basis, less any cash received and plus any gain recognized. The basis is allocated among the assets received, other than cash, in proportion to the fair market values of the assets.		
	E. Section 332 - Liquidation of a subsidiary Where a parent corporation liquidates a subsidiary there is gain or loss recognized to the parent. The parent receives the distributed assets at the subsidiary's basis. The effect of this is that the parent's basis in the subsidiary's stock is completely ignored. Section 334 provides exception to the general basis rules in a 332 liquidation. If the parent acquired 80% of the subsidiary's stock by purchase during a 12-month period, and if the distribution is pursuant to a plan of liquidation under Section 332 adopted not more than 2 years after purchase, then the parent's basis in the distributed assets is the amount the parent paid for the subsidiary' stock.		

Objective	Content Outline	Activity Experience	Evaluation
	(Cont.) E. Added to this basis are the liabilities assumed or taken over by the parent, plus or minus any increase or decrease in earnings of the subsidiary from the time of its purchase to the date of liquidation.		

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1. Books

Rumpf, Howard A., Corporate Liquidations for the Lawyer and Accountant. 3rd ed. Englewood Cliffs, New Jersey: Prentice-Hall, Inc., 1970.

Schreiber, Irving, ed. How to Plan for Tax Savings in Real Estate Transactions. Rev. ed. Greenvale, New York: Panel Publishers, 1973.

Stone, David. Training Manual for Real Estate Salesmen. Englewood Cliffs, New Jersey: Prentice-Hall, Inc., 1965.

Weiss, Robert M., How to Maximize Tax Savings in Buying, Operating and Selling Real Property. Englewood Cliffs, New Jersey: Prentice-Hall, Inc., 1971.

2. Periodicals

Internal Revenue Code. Order from: Superintendent of Documents
U. S. Government Printing Office
Washington, D. C. 20402

3. Audiovisual Aids

Instructors are encouraged to develop any media that will be useful in teaching this course.

4. Other Sources

Local or area Internal Revenue Service

Internal Revenue Service
310 New Bern Avenue
Raleigh, North Carolina 27611

SYLLABUS FOR
LAND DEVELOPMENT
BUSINESS 226

Special appreciation is extended to Hal McNeely, McNeely Associates, Raleigh, North Carolina for designing this course.

BUSINESS 226

Land Development

I. DESCRIPTION OF COURSE:

A study of the land and population economics of land utilization and the development factors related to manufacturing, labor, transportation and commerce in or near the development location.

II. COURSE OBJECTIVES:

Given the materials as presented in this course, the student will be able to identify the various components of land development and be able to describe how these components influence and ultimately combine to create real estate.

III. COURSE OVERVIEW:

A. History of land development
B. Purposes and objectives of land development
C. Purposes and objectives of land developer
D. Components of land development
E. Implementation of land development system

IV. CREDITS, HOURS, PREREQUISITES

A. Four (4) quarter hours credit
B. Three (3) class hours per week; two (2) laboratory hours per week
C. No prerequisite

V. EVALUATION:

The evaluation is based on the completion of stated objectives and should include:

A. Two objective-type tests
    1. Midterm examination
    2. Final examination (comprehensive)
B. Laboratory work

Land Development

Business 226

Objective	Content Outline	Activity Experience	Evaluation
	I. Introduction		
A. To introduce student to the historical background of land development.	A. History of land development 1. Definitions a. Developer b. Land development 2. Evolution of the developer and his technology	A. Lecture/discussion Prepare handouts and/or transparencies on land development terminology and jargon. Examine historical data relating to the evolution of the developer and his technology.	A. Given an objective-type test, the student will be able to identify a developer and the components of development with 70% accuracy.
B. To be able to identify purposes and objectives of developer/development.	B. Contemporary purposes and objectives of land developer/land development 1. Purpose of the developer 2. Short-term objectives 3. Long-term objectives 4. Social influences 5. Financial systems influences 6. Structure of the system	B. Lecture/discussion Develop profiles for specific developments within the state. Develop profiles for specific development companies of developers. Analyze the structure of hypothetical systems.	B. Given an objective-type test, the student will be able to list several purposes and objectives of hypothetical structures with 70% accuracy.
C To be able to identify the technical nature of development.	C. Methodology of land developer/development 1. Historical overview 2. Contemporary technology 3. Contemporary constraints	C. Lecture/discussion Obtain case studies and document the technical aspects of development. Compare contemporary technology with historical equivalent.	

Objective	Content Outline	Activity Experience	Evaluation
	II. Components of Land Development		
A. To be able to use and identify the components of land development and discuss their significance.	A. Background gathering 1. Maps and mapping 2. Constraints a. Legal, regulatory b. Financial feasibility c. Funding and/or investment systems d. Utilities, services e. The market f. Trade-offs or compromises	A. Lecture/discussion Laboratory Obtain maps and explanations of their need, preparation and technical components. Examine zoning, tax, boundary, topographic and aerial maps. Visit site of surveying aerial topography plotter.	A. Given five types of maps, the student will be able to identify them with 70% accuracy.
B. To be able to develop a land development program.	B. Programs and objectives 1. Alternatives 2. Developing the program 3. Establishing objectives 4. The professional planners	B. Lecture/discussion Laboratory Students and instructor examine current programs and objectives. Have question and answer session with professional planners and developers.	B. Discussion. Class participation by the student.
C To be able to identify the systems of implementation in land development.	C. Implementation 1. Systems and variations 2. The teams 3. Methodology	C. Lecture/discussion Laboratory Student teams construct the system for implementing a development from raw land to sell-out	C. The work of the teams is evaluated by a critique of visiting developers and planners.
D. To be able to identify the creative and restrained aspects of development.	D. Contemporary and future trends 1. Tax law influences 2. Investment influences 3. Regulatory, political and public influences 4 Prognosis for the future	D. Lecture/discussion	D. Given an objective-type test, the student will be able to identify specific influences on development, and describe potential trends in development and their consequences with 70% accuracy.

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1. Books:

Brown, Curtis M. Boundary Control and Legal Principles (How Surveyors Locate Land Boundaries). 2nd ed. New York: John Wiley & Sons, Inc., 1969.

Glossary of Mapping, Charting and Geodetic Terms. 3rd ed. Washington, D. C.: United States Government Printing Office. June, 1973.

McAllister, Donald M. (ed.). Environment: A New Focus for Land-Use Planning. Washington, D. C.: National Science Foundation, 1973.

University of Wisconsin Extension Division. Real Estate Development Seminar: The Architect as Developer. February, 1973. (Copy available at School of Design Library, North Carolina State University, Raleigh, North Carolina.)

2. Periodicals:

Apartment Construction News. Gralla Publications, 1501 Broadway, New York, New York 10036. $5.00/year.

3. Audiovisual Aids:

Instructors are encouraged to develop transparencies, slides, etc. where applicable in the outline.

4. Other Sources:

School of Design
North Carolina State University
Raleigh, North Carolina 27607

Superintendent of Documents
United States Government Printing Office
Washington, D. C. 20402

*NOTE: Little written material is available that treats land development as the very sophisticated business that it has become; professionalism is encroaching into the field, but there is little documentation.

SYLLABUS FOR
APPRAISAL II
BUSINESS 293

This syllabus was developed through the efforts of Mr. Gene White, Real Property Office, North Carolina Department of Administration, Raleigh, and Mr. B. C. Parker, Parker REALTORS, Burlington. Appreciation is extended to Mr. White and Mr. Parker for their assistance.

BUSINESS 293

Appraisal II

I. DESCRIPTION OF COURSE:

A study of the methods and techniques used in estimating the value of residential properties and in preparing a residential appraisal report. Topics include analysis of economical factors affecting the value of real estate, local, state, federal and neighborhood influences and attitudes, economical factors and estimation of value.

II. COURSE OBJECTIVES:

Given the materials as presented in this course, the student will be able to perpare a residential appraisal report.

III. COURSE OVERVIEW:

A. Review of the professional standards, code of ethics and residential member (R.M.) designation.
B. Review of the basic principles affecting the value of real property.
C. The appraisal process.
D Elements involved in making a single-family residence analysis, comparison and evaluation.
E. The Single-Family Residence Appraisal Report.

IV. CREDITS, HOURS, PREREQUISITES

A. Four (4) quarter hours credit.
B. Two (2) hours lecture; three (3) hours laboratory per week.
C. Prerequisite: Appraisal I or equivalent experience.

V. EVALUATION:

Evaluation should be based on the completion of stated objectives and should include at least one of the following:

A. Preparation of a Single-Family Residence Appraisal Report (This evaluation technique is highly recommended.)
B. Objective-type test
    1. Midterm examination.
    2. Final examination.
C. Problem-solving test
    1. Midterm examination.
    2. Final examination.
D. Combination examinations of B and C.

Objective	Content Outline	Activity Experience	Evaluation
	I. Introduction: Appraisal Profession		
A.-C. To analyze the professional background, code of ethics and standards of conduct of the American Institute of Real Estate Appraisers (a review). D. To explain the meaning and advantages of the R. M. (Residential Member) designation.	A. Professionalism and the real estate appraiser B. Code of ethics C. American Institute of Real Estate D. Residential Member (R. M.) designation 1. Defined 2. Requirements necessary to obtain designation	A.-D. *Manual: Appendix A **ARE: Appendix A Lecture/discussion Review of the information presented in Appraisal I on ethics, organization, etc. Prepare transparencies/handouts of the code of ethics. Utilize services of an appraiser as a resource person for materials or as a class speaker.	A.-D. Given an oral or written test the student will be able to discuss the professional standards and practices of the American Institute of Real Estate Appraisers.

*Manual: Single Family Residential Appraisal Manual
**ARE: The Appraisal of Real Estate

Objective	Content Outline	Activity Experience	Evaluation
II. To be able to define market value. To be able to compare and contrast the differences between price, cost and value of real property. To be able to discuss the rights and restrictions relative to real estate ownership.	II. Appraisal Theory A. Nature of real property and value 1. Cost, price and value a. Value defined b. Elements of value (1) Use or satisfaction (2) Scarcity (3) Desire (4) Convey ownership 2. Market value defined - "The highest price estimated in terms of money which a property will bring if exposed for sale in the open market allowing a reasonable time to find a purchaser who buys with knowledge of all the uses to which it is adapted and for which it is capable of being used." --- The Appraisal of Real Estate, 5th ed. (Chicago: American Institute of Real Estate Appraisers, 1967) p. 12. 3. Market value versus market price B. Real estate and real property 1. Real estate defined 2. Real property defined 3. Rights and restrictions a. Public rights (1) Taxation (2) Eminent domain (3) Police power (4) Escheat b. Private agreements (1) Deed restrictions (2) Easements (3) Licenses (4) Party wall agreements (5) Rights-of-way c. Rights (1) To use (2) Not to use (3) To sell (4) To rent or lease (5) To enter on or leave (6) To give away (7) To refuse any of the rights	II. Manual: Chapter 1 ARE: Chapter 2 Lecture/discussion	II. Given an objective-type test, the student will be able to define the terms related to real property and value with 70% accuracy.

Objective	Content Outline	Activity Experience	Evaluation
III. To be able to define and analyze the economic principles affecting real property.	III. Basic Principles Affecting the Value of Real Property A. Real property and economics 1. Currency market (gold, stocks, bonds) 2. World trade 3. Interest rate B. Basic economic principles 1. Principle of highest and best use 2. Principle of supply and demand 3. Principle of substitution 4. Principle of conformity 5. Principle of change 6. Principle of competition	III. Manual: Chapter 2 ARE: Chapter 3 Lecture/discussion Class exercise: After discussion of basic economic principles, have students give example of each principle.	III. Given an objective or discussion-type test, the student will be able to define and/or analyze the economic principles affecting real property.
	7. Principle of surplus productivity (residence) a. Net Remaining Value: amount after proper costs for labor, organization and capital have been satisfied b. Residential Property: value governed by proper portions of agents in production (labor, coordination, capital, land)		7. Describe the basis for land value - net remaining and residential property.

Objective	Content Outline	Activity Experience	Evaluation
IV. To be able to analyze the forces which create, maintain and modify the value of real property (a review)	IV. Influence on the Value of Real Property A. Social forces 1. Population 2. Attitudes 3. Geography 4. Education B. Economic forces and trends 1. Natural resources 2. Capital 3. Labor 4. Taxes, interest rates, price levels C. Governmental forces 1. Zoning laws 2. Building codes 3. Loans 4. Rent controls 5. Police and fire regulations D. Physical forces 1. Climate 2. Topography 3. Community factors a. Transportation b. Schools c. Churches d. Parks and recreation areas 4. Flood control and conservation	IV. Manual: Chapter 3 Lecture/discussion	IV. Given an objective or discussion-type test, the student will be able to analyze the forces - social, economic, governmental and physical - influencing real property.

Objective	Content Outline	Activity Experience	Evaluation
V. To be able to define the six basic steps of the appraisal process (a review)	V. Appraisal Process A. Definition of the problem 1. Identification of the subject property a. Legal description b. Street address c. Type of property 2. Property rights appraised a. Fee ownership b. Leasehold interest c. Subsurface rights 3. Statement of purpose of the appraisal (purpose-funcion-objective) The objective of the appraisal determines: a. The kind and amount of data required b. The type of analysis to be applied c. The style of report required 4. Effective date of value estimate B. Preliminary survey 1. Make a preliminary survey to determine: a. What kind of data is required b. How much data is required c. How long it will take to acquire the data d. What outside help may be required 2. Estimate a fee for the work required and/or requested C. Data program (collect and verify data) 1. General data (affecting the area) 2. Specific data (affecting the subject property) 3. Determine highest and best use of the subject property a. Analysis of site and improvements. Is it a proper improvement. b. Analysis of the neighborhood. Are there adverse influences which must be considered?	V. **Manual**: Chapter 4 Lecture/discussion Prepare transparency of the Appraisal Process. (Manual: page 14 or Appendix)	V. Given an objective-type test, the student will be able to list the six basic steps of the appraisal process.

Objective	Content Outline	Activity Experience	Evaluation
	D. Data classification and analysis - analyze the data according to various approaches to value 1. Cost approach a. Estimate market value of land b. Determine cost new of all improvements c. Deduct all forms of accrued depreciation d. Add the value of the land to the depreciated cost of the improvements to arrive at an estimate of value 2. Market data approach (comparison) a. Analyze subject property as to characteristics of land and improvements b. Analyze recent comparable sales in relation to the subject property by making adjustments to reflect the character of the property being appraised c. Compare sales of comparable properties to the subject property to obtain an indication of value 3. Income approach (Gross multiplier) a. Obtain sales of properties similar to the subject property b. Determine economic rent of these properties, as well as that of the subject property c. Divide the monthly rent into the sales price of the comparable property (gross multiplier) d. Apply the derived gross multiplier to the economic rent of the subject property in order to arrive at an estimate of value		

Objective	Content Outline	Activity Experience	Evaluation
	4. Determine the final estimate of value a. Correlate the findings of the three approaches b. Determine one final estimate of value 5. Prepare the appraisal report a. Purpose of the appraisal b. Type of property appraised c. Requirements of the client		

Objective	Content Outline	Activity Experience	Evaluation
VI. To analyze the characteristics of city and neighborhood data. To develop a checklist for the gathering and analysis of city and neighborhood data.	VI. City and Neighborhood Data and Analysis A. Purpose of city data 1. Provides history of past and current information of how and why city grew - reflects value 2. Classification of cities by basic/non-basic ratio a. Basic - Proportion of employment in city producing goods and services for export b. Non-basic - Proportion of employment producing goods and services for internal consumption 3. Classification of cities by function a. Industrial city - Charlotte b. Commercial center - Charlotte, Greensboro c. Transportation center - Charlotte d. Mining town - Aurora - Texas Gulf Sulphur e. University town - Chapel Hill, Murfreesboro f. Resort and retirement towns - Boone, Wrightsville Beach g. Defense or military oriented city - Fort Bragg, Jacksonville 4. Analysis of city data a. Physical features which may enhance or limit growth (1) Topography, soil, geology (2) Climate (3) Physical access and physical barriers (4) Possible damage from floods, winds, ocean and earthquake (5) Raw materials b. Population trends and growth patterns (1) Age groups and characteristics (2) Population changes and trends (3) Income and educational level (4) Ethnic and religious groups	VI. Manual: Chapter 5 ARE: Chapter 6 Lecture/discussion Prepare transparencies of types of cities in North Carolina (industrial, university, commercial, etc.).	VI. After completion of Unit VI, the student will be able to develop a check list for the gathering and analysis of city and neighborhood data.

Objective	Content Outline	Activity Experience	Evaluation
	c. Major employment industries (1) Stability of basic raw materials (2) Government or defense oriented industry (3) Seasonal employment (resort towns) (4) Tax incentives for industry d. Employment levels (1) Trends and past history (2) Number of professional or technically skilled (3) Number of unskilled and/or unemployed workers e. Transportation networks (1) Interstate highway location and connection (2) Public transportation (3) Rail and/or ocean and river or air facilities (4) Transportation costs for raw materials or finished products (5) Proximity to raw material and final source of market f. Environmental factors and their controls (1) Smog and environmental exposure (2) Water pollution, private and public disposal (3) City sprawl, poor land use, lack of master plan		

Objective	Content Outline	Activity Experience	Evaluation
	g. Type of government and policies (1) Taxation and amount of debt (2) Assessment policies and rates (3) Adequacy of services (a) Police and fire protection (b) Military facilities (c) Hospitals and health services (4) Quality of schools and educational facilities (5) Policy to eliminate segregation and poverty (6) Building codes and policies (7) Master plan and zoning control (8) Urban renewal or rehabilitation programs (9) Public utilities, adequacy and special cost benefits for industry h. Commerce (1) Taxable retail sales and wholesale transactions (2) Price and cost of living indices (3) Communication and news media (4) Business trends and economic stability i. Retail facilities, trends, types, quality, direction of growth (1) Central business district and trading areas (2) Shopping centers and strip commercial (3) Retail activity by category j. Recreational and cultural facilities (1) Public parks and beaches (2) Hotels and public accommodations (3) Historical landmarks (4) Existing forests or wildlife sanctuaries (5) Theatres, museums, plays, operas, etc.		

Objective	Content Outline	Activity Experience	Evaluation
	k. Single and multi-residential (1) Adequacy and quality of residential housing (2) Amount of new construction (past trends of building permits) (3) Vacancies and sales trends (4) Cost of new construction and past history (5) Wages and unionization of workers l. Real estate and financial activity (1) Bank and savings and loan activity (2) General mortgage loan patterns (3) Growth and absorption of office buildings, retail facilities, industrial buildings, new shopping centers, etc. (4) Availability and demand for space in commercial and industrial facilities B. Neighborhood data 1. Defined a. Segment of city, town or community, or entire community b. Refer to Appraisal Terminology and Handbook 2. Why neighborhoods? a. A need for safety afforded by numbers b. Companionship c. Enjoy greater cultural advantages d. Incentive to engage in commercial pursuits 3. Boundaries of neighborhood a. Land use and restrictions b. Physical barriers and topographic characteristics c. Age, type and use of buildings d. Age, income, employment, and ethnic and religious character of population		

Objective	Content Outline	Activity Experience	Evaluation
	4. Life cycle of neighborhood a. Creation - newly developed, rapidly rising prices b. Equilibrium - static or steadily rising prices c. Disintegrating - high vacancy, trend to lower values d. Cycle begins again based on new utilization 5. Residential neighborhood analysis a. Physical factors (1) Surrounding land use (2) Direction of growth, availability of land for expansion (3) Street patterns and traffic flow (4) Convenience to freeways and public transportation (5) Topography, drainage, soil stability and geology (6) Relative location of schools, colleges, and cultural facilities (7) Location of financial and employment center (8) Convenience to park, recreation and open space (9) Visual amenities - views (10) Neighborhood appearance and pride of ownership (11) Accessibility to shopping (12) Availability to public utilities (13) Absence of smog, odors, winds and noise (14) Changing land usage (encroachment of non-residential uses)		

Objective	Content Outline	Activity Experience	Evaluation
	b. Social considerations (1) Prestige and social standing of area (2) Homogeneity of status, education, and age of inhabitants (3) Attitudes of owners in regard to home or apartment maintenance (4) Amount of home resale and tenant turnover (5) Inhabitants political and religious attitudes (6) Private restrictions in deed as to size, architecture of building c. Economic factors (1) Income level of owners or tenants (2) Cost of home ownership or leasehold (3) Number of vacant units or homes for sale (4) Availability and cost of mortgage financing (5) Quality of new residential construction (6) Land costs trends (7) Competition of new subdivisions or apartments d. Governmental factors (1) Adequacy of police protection and security (2) Adequacy of fire protection (3) Real estate tax level and assessment procedures (4) Zoning (5) Building and health codes (6) Political stability		

Objective	Content Outline	Activity Experience	Evaluation
	VII. Site Data and Analysis	VII. Manual: Chapter 7 ARE: Chapter 7 Lecture/discussion	VII. Given the appropriate date the student will be able to prepare a site analysis and to determine its affect on the surrounding area.
A. To be able to identify the legal data needed to estimate land value To be able to identify the physical factors affecting the site	A. Site data: Legal and physical data 1. Location 2. Legal description (recorded data) a. Deed restrictions b. Easements and/or rights of way c. Encumbrances d. Deeds of trust 3. Owner or owners of record a. Address if different from property b. Legal representative 4. Present occupants 5. Assessor's data a. Assessor's parcel number b. Tax code area c. Tax rate and past trends d. Breakdown of assessed values e. Assessor's estimate of fair market value f. Current and past real estate taxes g. Discussion of trends or new legislation in either assessed value or real estate taxes 6. Date of inspection a. Name of party with whom the inspection was made b. Problems of inspection (refusal of entry, type of inspection)		
B. To be able to prepare a site analysis and to determine the relationship of a particular site to the surrounding area	B. Site analysis 1. Types of land utilization a. Man-made structural improvements b. Man-made non-structural improvements (orchards, vineyards, etc.) 2. Shape of property - plat map 3. Size - area description a. Mathematical calculations b. Source, if not personally shown - engineer, assessor's office, survey 4. Easements - narrative description and how they affect property a. Plat map, should show location b. Possible effects on property value		

Objective	Content Outline	Activity Experience	Evaluation
	5. Topography a. Scenic view b. Amount and difficulty of fill or excavation c. Use of fill for other sites 6. Corner influence or cul-de-sac 7. Soils a. Geological formation and stability of soil types b. Drainage - amount and possible flooding c. Earthquake fault 8. Utilities a. Sewer line and water lines b. Electricity, natural gas and telephone c. Garbage and trash removal - cost and adequacy of service d. Street improvements 9. Accessibility and parking 10. Land improvements 11. Zoning		

Objective	Content Outline	Activity Experience	Evaluation
VIII. To be able to compare and contrast the sales comparison method of land valuation with the abstraction and development methods.	VIII. Site Valuation A. Reasons for separate site valuation B. Methods of residential site valuation 1. Sales comparison a. Methodology: collection, recording and comparing sales data on comparable sites b. Procedure (1) Market information on vacant parcels is compared to subject. Sales should have: (a) Similar legal characteristics (zoning, legal restrictions, assessments, easements) (b) Similar physical characteristics (area, shape, frontage, topography, soil conditions, contour, landscaping and amenities, available utilities) (c) Similar location characteristics (location in the neighborhood, streets, traffic pattern, corner, influence) (2) Adjustments (a) Need to adjust if there are variations in the property sites (b) Methods of adjusting i. Chunk (whole property value) ii. Dollar adjustment - plus or minus iii. Percentage - plus or minus iv. Composite - percent multiplied	VIII. Manual: Chapter 9 ARE: Chapter 8	VIII. Given a discussion-type test, the student will be able to compare and contrast the sales comparison method of land valuation with the abstraction and development methods with 70% accuracy.

Objective	Content Outline	Activity Experience	Evaluation
	(3) Prices		
	(a) Verified by buyer, seller, and/or real estate broker		
	(b) Analyzed to ascertain conditions of the sale		
	2. Abstraction-allocation method: procedure		
	a. Obtain sales of whole properties in the same neighborhood having similar characteristics as subject site		
	b. Estimate the cost of new improvements on the sale property		
	c. Deduct an amount for depreciation from the new cost of improvements on the sale property		
	d. Deduct the depreciated cost of the improvements from the selling price		
	3. Development approach: procedure		
	a. Determine economic price range of houses or developments in area		
	b. Find ratio of land to buildings and/or lot value on developed parcels		
	c. Determine number of lots which can be developed		
	d. Project retail value of each parcel and total project retail value		
	e. Deduct projected costs of street and utility installation		
	f. Deduct sales costs and advertising		
	g. Deduct overhead, as taxes, interest, carrying charges, and inspection fees		
	h. Arrive at gross selling price before developer's profit for risk and incentive		
	i. Deduct developer's profit		
	j. Deduct interest on money invested for time lag to complete project		
	k. Final value estimate on land		

Objective	Content Outline	Activity Experience	Evaluation
A.-C. To be able to outline the procedure for the inspection and physical analysis of building improvements	IX. Building and Property Inspection A. Pre-inspection procedure 1. Arrange for inspection 2. Public relations aspect a. Relationship and attitude of appraiser to home occupant b. Image of appraiser in the eyes of: (1) Client (2) Property owner (3) Lender (4) Broker-salesman (5) Other appraisers, etc. B. Application of improvement analysis 1. Cost approach 2. Market data approach 3. Income approach C. Building inspection 1. Points to consider in inspecting a. Itemized on-the-site inspection of the building b. Each element must be identified and described as to type, quality and condition (1) Physical appearance and condition (2) Recent repairs and modernization (3) Estimates of deterioration or deferred maintenance (4) Remaining economic life of replaceable items and general structure (5) Analysis of fundamental features and basic equipment 2. Inspection procedure a. Consider relationship of improvements to site (1) Is the residence too large or small for the site? (2) Is the house properly oriented on the lot to take advantage of scenic views and climatic conditions?	IX. Manual: Chapter 8*, 10, 12*, 13, 16* *Basic chapters to be discussed in this section. ARE: A.-C. Lecture/discussion Plan a field trip to an appraisal office and visit an appraisal site. Prepare a problem in building and property inspection.	A.-C. Given an objective-type test or a problem, the student will be able to outline the procedure for the inspection and physical analysis of a residence with 100% accuracy.

Objective	Content Outline	Activity Experience	Evaluation
	b. Inspect exterior of dwelling (1) Determine quality of construction (a) Foundation and framing (b) Exterior walls (c) Roof structure and roofing (d) Porches (2) Determine condition of exterior and its resistance to deterioration c. Measure the exterior dimensions of each building on the subject premise (1) Draw a plot plan of each structure (2) Calculate the square foot area of each building (house, garage, and outbuilding) d. Inspect the dwelling's interior (1) Determine the quality and condition (a) Durability of construction (b) Arrangement of floor plan and layout of rooms (c) Attractiveness and utility of design (d) Grade of material used and craftmen's skill (e) Basic condition (f) Determine condition and adequacy of heating, plumbing and electrical equipment (2) Determine if the floor plan is functionally proper (3) Does it have all the modern conveniences necessary for a home in its price range? e. Examine and describe yard improvements		

Objective	Content Outline	Activity Experience	Evaluation
	3. Residential building quality quidelines a. Low or fair quality (1) Competitive low cost house which just conforms to minimum building codes and standards (2) Plain and inexpensive finishes on both interior and exterior - drywall, asphalt tile floor (3) Minimum standard lighting and plumbing - cheap fixtures - wall heater units (4) Generally erected in areas of low purchasing power (5) Typically - stucco exterior; concrete slab floor; composition roof. b. Average quality (1) Meets V.A. and F.H.A. standards (2) Usually purchased by persons of moderate to average income (3) Medium standard of construction with some low cost refinements - carpet over slab floor, plaster or drywall (4) Usually of stucco exterior, hardwood flooring, composition, shingle or rock roof. Minimum trim and veneer (5) Finish hardware, lighting fixtures and heating of average quality - forced air unit (6) House found in large tract developments or medium quality (older) neighborhoods		

Objective	Content Outline	Activity Experience	Evaluation
	c. Good quality (1) Built by individuals in middle income groups (2) Good architectural design, workmanship and materials. Exterior walls - brick, stucco or rustic, roof shingle or shake (3) Interior: plaster, drywall, some paneling, good carpet or hardwood floor (4) Usually contains two or more bathrooms, forced air furnace or equal heating, good quality lighting fixtures and finish hardware (5) Usually has extra built-in equipment in kitchen - dishwasher, disposal, electric stove and ovens d. Very good quality (1) Built in the better residential districts by persons of high income (2) Custom designed by architect, and erected by reputable contractors (3) Home contains many extra features and special fixtures. May be air-conditioned (4) Stucco walls with extensive wood or masonry trim and paneling, hardwood flooring, shake roofs (5) Two or more bathrooms, forced air heating, very good quality finish hardware and lighting fixtures (6) Custom fireplaces, built-in bookcases, separate dining room (7) Tile trim in bathrooms, stall showers, built-in vanities		

Objective	Content Outline	Activity Experience	Evaluation
D. To be able to prepare and analyze a floor plan diagram	D. Preparation of floor plan diagram 1. Definitions a. Plot map - usually considers the floor plan layout and dimensions relative to the building improvement b. Plat map (1) Starts with the plan of the lot and shows land dimensions and the location of improvements on the site (2) Typical practice is to incorporate the two types of drawings and call it a "plat map" 2. Inspection procedure a. Introduction of appraiser to the occupant of the house and explanation of inspection procedure b. Examination of the outside of the house (1) Inspect the exterior of the improvement, all out buildings and all land improvements (2) Take outside measurements and draw perimeter wall diagram of all buildings c. Inspect the interior of the house (1) Sketch in rooms, closets, halls, stairwells and other interior features (2) Note all equipment plus special features and built-ins 3. Elements of floor plan diagram a. Drawn on graph paper (1) To a predetermined scale (2) Scale indicated on drawing (3) Indicate exterior wall dimensions. (Occasionally interior room sizes) (4) Show interior and exterior door openings (5) May "hatch off" for area calculation b North to top of page - orient to subject area	D.-F. Lecture/discussion D.-E. Prepare transparencies and/or handouts of illustrated floor plans, blueprints, etc. for explanation of this material.	D. Given the appropriate information the student will be able to prepare and analyze a floor plan with 100% accuracy.

Objective	Content Outline	Activity Experience	Evaluation
	4. Calculate total footage for: a. Living area b. Garage and utility area c. Porches and decks d. Patio, driveway and other paved areas 5. Federal Housing Administration (F.H.A.) definition of area a. Building area: The total ground area of each building and accessory building but not including uncovered entrance platforms, terraces and steps b. Floor area: The total area of all stories or floors finished as living accommodations. This area includes bays and dormers but does not include space in garages or carports or in attics. Measurements are taken to the outside of exterior walls		
E. To be able to read a blueprint.	E. Blueprints and plans 1. General analysis a. Appraiser studies blueprints, plans and specifications (1) Relative to the proposed construction of a home (2) Also on existing properties when plans are available b. Analysis includes review of: (1) Floor plan (2) Plat plan (3) Elevations (4) Cross sectional views (5) Foundation plan (6) Electrical and wiring (7) General specifications		E. Given a blueprint the student will be able to read the blueprint with 100% accuracy.

Objective	Content Outline	Activity Experience	Evaluation
	2. Plan and blueprint reading a. Types of lines (1) Trim line (2) Border line (3) Main object line (4) Dimension line (5) Extension line (6) Equipment line (7) Broken line (8) Invisible line (9) Symbol section line b. Principal symbols (1) Material symbols (2) Plumbing symbols (3) Heating and ventilating symbols (4) Electrical symbols c. Conventions - show indication and method of dimensioning walls, doors and windows d. Schedules (1) Finish schedule (2) Door and window schedule 3. Wood frame construction a. Balloon framing b. Braced framing		
F. To be able to identify the type of equipment utilized by the appraiser in the field.	F. The appraiser's working tools 1. Field oriented equipment a. Tape measure (1) Measuring wheel (2) Hook or ice pick b. Clip board c. Camera (1) Poloroid (2) Proper picture taking d. Flashlight e. Other items (1) Marble (2) Chisel 2. Office equipment a. Calculator: tape - electric - portable b. Dictating machine: portable - size of tape c. Reproduction machine: printing vs. Xerox d. Typewriters: square footage symbols - MTST - IBM 3. Appraisal plant a. Definition b. General overview	F. Bring examples of each type of equipment to class for explanation and examination.	F. Given an objective-type test, the student will be able to identify the types of equipment used by the appraiser in the field.

Objective	Content Outline	Activity Experience	Evaluation
A. To be able to identify the elements, units of comparison and methods of adjustment in the sales comparison approach of appraising	X. Appraisal Techniques A. Sales comparison approach 1. Sales comparison approach defined 2. Analysis and procedure a. Information to be gathered and analyzed: elements of comparison (1) Date of sale (2) Sale price (3) Location and neighborhood (4) Description of improvements (a) Age, size, use, shape, type, quality condition and utility, style, layout, and number of rooms (b) Estimate value of chattels or special amenities (5) Total land area (excess land?): site improvement (6) Any income data (7) Motivation of buyer and seller: special considerations, caprice characteristics (8) Special financing or sale conditions (a) Terms of sale (b) Type of sale or trade 3. Investigation of data a. Each comparable sale should be inspected to determine (1) Actual location (2) Condition at time of sale (3) Characteristics and amenities b. All details of each transaction must be verified	A. Manual: Chapter 12 ARE:	A. Given the appropriate information, the student will be able to conduct and prepare an appraisal using the sales comparison method.

Objective	Content Outline	Activity Experience	Evaluation
	4. Sources of information and verification a. Deed recordings b. Transfer-tax records c. Multiple listing services d. Appraisal data services e. Title companies f. Appraisers files g. Assessment records h. Mortgage loan records i. Real Estate broker's files j. Private and government lending offices k. Parties to sales transaction (1) Grantor (2) Grantee (3) Broker 5. Units of comparison: "The common denominator" a. Apply a consistent method of comparison in analyzing each transaction b. Common units of comparison for a single family residential property: (1) Size of home - price per total square foot or cubic foot of living area (2) Total property comparison (chunk) (3) Sale price per room (4) Price per foot of total building area		

Objective	Content Outline	Activity Experience	Evaluation
	6. Sale adjustments a. Processing requires that certain adjustments be made if it is necessary to account for any differences inherent to the properties b. Physical variations plus functional and economic divergencies must be considered and adjustments made accordingly (1) Chart form may be necessary (2) May use more than one unit of adjusted comparison (3) Methods of adjustment (a) Dollar adjustments (b) Plus and minus percentage (c) Cumulative percentage (d) Composite adjustment 7. Final value estimate a. From mass of data collected, select properties most similar or nearly comparable to the subject. Analyze data most pertinent and properly substantiated (greatest reliability results when factual data requires least adjustment for differences) b. Data relied upon should show trend -- will establish upper and lower limit of value range. Indicated value by comparison should fall within that range c. Final value increment obtained by correlation within value range. Unit values are applied to subject property to arrive at total value estimate		
B. To be able to identify the steps involved in making an income approach appraisal. To be able to select and identify the gross rent multiplier relative to the conversion of monthly income to a value estimate.	B. Income approach 1. Gross rent multiplier a. Conversion factor b. Ratio of sales price to monthly rent. (Sales price divided by monthly rent)	B. **Manual:** Chapter 13 ARE: Lecture/discussion Prepare transparencies/handouts of income approach examples.	B. **Given the appropriate information, the student will be able to prepare an income approach appraisal.**

Objective	Content Outline	Activity Experience	Evaluation
	2. Steps in income approach a. Determine the market rent for the subject property (1) Compare with houses of the same size, quality and basic amenities (2) Establish a reasonable basis of fair rental b. Obtain prices of houses in the same value range, which have been rented. (Expenses as to taxes, insurance, etc. must be comparable.) c. Analyze each comparable sale to indicate proper multiplier d. Correlate the monthly rent to arrive at one final mutiplier e. The gross rent multiplier selected, multiplied by the market rental of the subject property results in the value estimate (Gross rent multiplier X market rental = value estimate) 3. Economic principles - G.R.M. a. Substitution b. Contribution		
C. To be able to identify the steps involved in making a cost approach appraisal. To be able to use the methods and techniques of cost estimating.	C. Cost approach 1. Theory and methodology of cost approach a. Calculate the reproduction (or replacement) cost of new buildings plus man-made improvements b. Estimate accrued depreciation from all causes c. Deduct total depreciation from the cost new of improvements to find present value of buildings d. Add land value (as if vacant) to present value of improvements to ascertain total value estimate by cost (or summation) approach	C. Manual: Chapter 10 ARE: Chapter 14 Lecture/discussion Provide students with problems in making a cost approach appraisal.	C. Given the appropriate information, the student will be able to prepare a cost approach appraisal.

Objective	Content Outline	Activity Experience	Evaluation
	2. Estimate of cost new a. Methods of cost estimating (1) Quantity survey method (a) Estimation of each type of building material used, amount and cost of labor required, and exact duplication of miscellaneous charges, architects fees and overhead and profit of contractor (b) Can be used on any style, size and quality building; however, generally requires engineering training or outside consultant (2) Unit-in-place method (a) Estimation on costs of building in specific sections, such as foundation, walls, roof, plumbing, architectural fees, overhead and profit (b) Universal use, requires less technological knowledge of specific amount of building components and a good check of wide range of new construction		

Objective	Content Outline	Activity Experience	Evaluation
	(3) Comparative square foot or cubic foot prices (a) Estimates based on comparable building costs i. Published by cost estimating services ii. Obtained directly from: Residential contractors Developers Architects Appraiser's files Builder's association Cost surveys and studies Research groups Engineers Sub-contractors Building department (b) Historical costs i. Requires original building costs which can be updated by national indices ii. Utilized in many areas by assessor's office (c) Cost services i. Beoch's Appraisal Manual, published by American Appraisal Company, Milwaukee, Wisconsin ii. Dow Construction Cost Calculator, published by McGraw-Hill, New York, New York iii. Residential Appraisal Manual, published by Roy Wenzleck and Associates, St. Louis, Missouri		

Objective	Content Outline	Activity Experience	Evaluation
	iv. Residential Cost Handbook, published by Marshall and Stevens, Los Angeles, California v. Construction Costs, published by Robert Snow Means, Duxbury, Massachusetts b. Direct and indirect costs (1) Direct (a) Material and labor (b) Contractor's overhead (c) Contractor's profit (d) Architects and engineers (2) Indirect (a) Preliminary expenses such as: Legal fees Surveys Building permits Other professional fees (b) Taxes during construction (c) Insurance during construction (d) Administrative expenses (e) Cost of financing		
D. To be able to define accrued depreciation and to use the methods of depreciation in the cost approach appraisal analysis.	D. Accrued depreciation - cost approach only 1. Defined a. "A loss in value from any and all causes." b. "The loss in value which has already taken place up to the date of the appraisal, which may result from any cause, as determined by actual inspection, or from existing conditions disclosed by the appraiser's investigation (whether recognized or coinciding with book reserves). In real estate appraising, its use generally is in the cost approach in estimating the depreciated replacement or reproduction cost of the improvements."	D. **Manual: Chapter 11** **ARE: Chapter 13** Lecture/discussion **Example: "Cost less value" - sale of home in subdivision** **Cost new - same** **Land value - same as new properties** **Yet 6-year old house sells for 10% less then new one.** **Discuss and illustrate the role of accrued depreciation within the cost approach concept.**	D. **Given the appropriate information, the student will be able to use the methods of depreciation in the cost approach appraisal analysis:** **1. Breakdown method** **2. Engineering method** **3. Age-life method**

Objective	Content Outline	Activity Experience	Evaluation
	c. "The inexorable parade to the junk heap - as the inevitable companion of improved property throughout its economic life." d. "Accrued depreciation is the actual depreciation existing in a property at a given date; the difference between the cost of replacement new or reproduction new as of the date of appraisal and the present appraised value." Appraisal Terminology and Handbook, 5th ed. (Chicago: American Institute of Real Estate Appraisers), p. 4. e. "the difference between the cost of reproduction new of a building as of the date of appraisal and the value of the building as of the same date." Single-Family Residential Appraisal Manual. (Chicago: American Institute of Real Estate Appraisers), p. 67. 2. Methods of estimate a. Breakdown method (1) Defined: separate charges on basis of origin or cause of loss (2) Physical deterioration (a) Defined: lessening of value due to some physical change within the structure which lowers its utility (b) Types of deterioration i. Actions of men, pests, and the elements ii. Evidenced by wear and tear through use, storms, extreme temperatures, age and pest destruction iii. Structural impairment through neglect, fire, acts of vandalism and the like	D. Give examples of physical deterioration, functional obsolescence, economic obsolescence and curable and incurable items. Examples of application of age-life method and abstraction on pages 35 and 36.	

APPLICATION OF AGE-LIFE METHOD

Discuss and give examples of the utilization of the age-life method: Illustration: three houses with a total economic life of 50 years and actual age of 20 ages.

IN POOR CONDITION

Effective Age Life	30 years
Total Economic Life	50 years

Thus Depreciated 30/50 or 60%

IN GOOD CONDITION

Effective Age Life	10 years
Total Economic Life	50 years

Thus Depreciated 10/50 or 20%

IN AVERAGE CONDITION

Effective Age Life	20 years
Total Economic Life	50 years

Thus Depreciated 20/50 or 40%

EXAMPLE OF ABSTRACTION

Comparable sale property - 20 year old house -

Sale price	$30,000
Estimated land value	6,000
Depreciated value of building	$24,000
Cost new of building	$31,000
Depreciated building	24,000
Amount of depreciation	$ 7,000 or

$$\frac{7{,}000}{31{,}000} = 22.6\%$$

Objective	Content Outline	Activity Experience	Evaluation
	(3) Functional obsolescence (a) Defined: lessening in value because of inherent changes brought about by modern advances, technology and current innovations (b) Types of obsolescence i. Evidenced by faulty design in architecture. Examples: Ceilings that are too high or too low; wasted space and poor traffic flow ii. Functional deficiencies: inadequacy of structural facilities such as inadequate wiring, plumbing, heating and air conditioning iii. Functional excesses: over-sized heating or cooling systems, over-sized plumbing and electricity, and a super adequacy of any other structural facility (4) Economic obsolescence (a) Defined: loss in value created by factors outside the property itself (b) Types of obsolescence i. Neighborhood hazards and nuisances ii. Ecology iii. Traffic flow iv. Changes in zoning and ordinances v. Infiltration of less desirable neighbors and businesses vi. Depressions vii. Political ramifications		

Objective	Content Outline	Activity Experience	Evaluation
	(5) "Curable" and "incurable" items b. Engineering method (1) Defined: requires an observed condition breakdown by use of a quantity survey or unit cost-in-place study (2) Cannot consider all aspects of depreciation - limited to components of building structure (3) Example: Single Family Residential Appraisal Manual Page 70 c. Age-life method (1) Defined: employs a mathematical ratio based on estimates of age and remaining life. Can result in reflection of total accrued depreciation where physical, functional and economic elements are considered in estimate of effective age and economic life (2) Terms relative to age-life concept: (a) Physical life: estimated period during which the structure may be expected to remain in existence or be utilitarian as a functioning entity. Physical life is the period over which a building would function if limited only by the actual deterioration of the materials of which it is composed		

Objective	Content Outline	Activity Experience	Evaluation
	(b) Economic life: period over which a property may be profitably utilized. That is the time when the structure may be expected to be competitive on the market in that particular use for which it was designed. Economic life represents the significant time period to the prudent buyer (c) Remaining economic life: period of time from the date of the appraisal to the expiration of economic life, over which the remaining utility of the structure is absorbed. Period prudent purchaser has in mind when he buys the property. Period the appraiser attempts to ascertain in making the appraisal (d) Effective age: the number of years indicated by the condition of the building d. Abstractive or market sale method (1) Defined: involves the market comparison approach to include the analysis of current sales prices of similar homes in the area (2) Application of abstraction (a) Determine the sale price of the comparable property (b) Estimate the value of the land (c) Deduct land value from sales value to calculate value of the comparable building		

Objective	Content Outline	Activity Experience	Evaluation
	(d) Estimate cost new of comparable building (e) The difference between the actual value of the comparable building and its cost new is accrued depreciation		

Objective	Content Outline	Activity Experience	Evaluation
XI. To be able to define and analyze functional utility. To be able to outline the amenities necessary to create functional utility in a single family residence.	XI. Functional Utility and Inutility in a Residential Floor Plan A. Functional utility defined 1. The ability of a residential property to supply shelter and other living amenities and services in terms of current market tastes and standards 2. The sum of the residential property's attractiveness and usefulness 3. The major priciples of value applicable in analysis of functional utility include: a. Conformity b. Contribution c. Balance (balanced utility); floor plan, fixtures, equipment, location of building on site 4. Examples of functional utility a. Property demonstrates no deficiencies which would directly affect marketability b. Property is useful and desirable B. Elements of functional utility 1. Architecture a. Design and style should enhance the function of the structure as a living unit b. Proper space proportions c. Good layout and room design d. Use of good materials e. Conformity with neighborhood f. Pleasing appearances (internally and externally) 2. Traffic pattern a. Placement of rooms b. Doorways for efficient traffic route c. No competition for space d. Minimum waste of space e. Maximum privacy f. Properly located entrance and stairs g. Convenient access h. Proper orientation of house to lot	XI. Manual: Chapter 17 ARE: Chapters 9 and 10 Lecture/discussion Prepare problems and/or other exercises on floor plans and have students evaluate the plan as to functional utility and inutility. Field trip to architect's office.	XI. Given a floor plan and other appropriate information about a single-family residence, the student will be able to determine the functional utility and inutility of the floor plan.

Objective	Content Outline	Activity Experience	Evaluation
	3. Design layout a. High usable space ratio b. Proper room sizes c. Good ventilation d. Good natural light e. Proper relationship of rooms to function f. Proper storage area g. Good location of fixtures and facilities h. Conformity to public taste i. Good placement of doors and windows 4. Standards of quality equipment a. Equipment must provide service as required by the market b. Elements of equipment to be considered include: (1) Heating and cooling equipment (2) Bathroom fixtures (3) Kitchen fixtures and built-ins (4) Electrical service and wiring (5) Laundry equipment (6) Water pipes and water heater		

Objective	Content Outline	Activity Experience	Evaluation
XII. To be able to distinguish between good and poor architectural design and to determine the affect of these factors on the marketability of a single-family residence.	XII. Architectural Style and Design A. What is good architecture? 1. Sound functional design: a. Location on site, properly related to setting b. Sound floor plan (1) Privacy and personal amenities (2) Efficient use of space (3) Largest possible living area (4) Small efficient kitchen (5) Dining area for family and friends (6) Master bedroom larger than others (7) Well located and good sized bedrooms (8) Adequate storage space (9) Proper location of windows and doors (10) Utility of room sizes and shapes (11) Adequacy and convenience of mechanical equipment 2. Utilization of quality materials commensurate with the environmental setting 3. Neighborhood conformity relative to size, age, style and design 4. Acceptable exterior appearance 5. Good taste as reflected in attitude of buyer 6. Must have lasting appeal in basic design a. Modern - Contemporary b. English - Tudor, Modern, Elizabethan c. Spanish - Monterey d. Bungalow - Farmhouse e. Colonial - Cape Cod, Salt Box, Dutch, Southern f. Ranch house g. Rustic h. Georgian, Italian, French	XII. Manual: Chapter 19 Obtain or prepare architectural designs for students to evaluate and compare. Prepare transparencies, handouts and slides of different architectural designs and residences.	XII. Given two architectural drawings of single-family residences, the student will be able to distinguish between good and poor architectural design and to determine the effect of these factors on the marketability of the residence. Note: May substitute a project in which student uses one or two single-family residences and makes the evaluation.

Objective	Content Outline	Activity Experience	Evaluation
	B. When does a house show poor design? 1. By using too many types of materials 2. Confused architectural styles 3. Poorly proportioned 4. Lacks proper balance 5. IMITATING sometimes cheapens a house 6. How does this affect the valuation? a. Marketability b. Functional utility or inutility c. Appraiser must become acquainted with people's likes and dislikes in a particular area C. Perfect home cannot be achieved a. Family needs change b. Area changes D. Final test: Is it accepted by the market?		

Objective	Content Outline	Activity Experience	Evaluation
XIII. To be able to determine single-family residence needs in terms of rehabilitation, modernization and/or remodeling, and if the work needed on the residence would be feasible.	XIII. Rehabilitation, Modernization, and Remodeling A. Rehabilitation 1. Restore to satisfactory condition without changing plan, form, or style (to a competitive level) of a structure (curing deferred maintenance) 2. Illustrations a. Painting b. Decorating c. Carpeting d. Necessary maintenance e. Accrued maintenance f. Restore to competitive level g. "Just necessary repairs" h. "Just necessary replacements" B. Modernization 1. Taking corrective measures to bring a property into conformity with changes 2. Replacement in modern style of outmoded aspects of the structure and/or equipment 3. Illustrations: a. Indirect lighting b. Install air conditioning c. Replacements (1) Old radiators (2) Lighting fixtures (3) Plumbing 4. Extends the economic life a. Increases desirability b. Reduces maintenance 5. Must be economically justified: may not add to value but preserve it C. Remodeling 1. Changing the plan, form or style of a structure to correct functional problems of obsolescence	XIII. Manual: Chapter 18 ARE: Chapter 23 Lecture/discussion Prepare transparencies, handouts, and/or slides of single-family residences which may be in need (or in process of) rehabilitation, modernization and/or remodeling. Field trips to single-family residences on which work is being done.	XIII. Given the appropriate information about a single-family residence, the student will be able to determine if the residence is in need of rehabilitation, modernization and/or remodeling, and will be able to determine the feasibility of the work to be done.

Objective	Content Outline	Activity Experience	Evaluation
	2. Illustrations a. Addition of bedroom or bath b. Conversion of den 3. Not in highest and best use 4. For re-use or different use. Example: single to multiple family D. Renovation is a combination of all three: 1. Renovation surveys and before and after tests 2. Principles involved in rehabilitation, modernization and remodeling a. Contribution b. Increasing and decreasing returns c. Conformity 3. Before and after test a. Will it return enough income to justify renewal of economic life? b. Can neighborhood stand the improvements and will they fit? c. Is it worth it? d. Is there a profit to be made? e. Where can we get costs? (Include all direct and indirect costs.) f. How will it relate to overall neighborhood?		

Objective	Content Outline	Activity Experience	Evaluation
XIV. To be able to analyze the process involved in correlation and to relate the process to the final value estimate.	XIV. Correlation and Final Value Estimate A. General correlation procedure 1. Correlation: Process of assembling related facts, then fitting them together to conform to cause and effect relationship a. Procedure continuous throughout preparation of appraisal report b. Procedure basic to proper methodology in development of three approaches to value 2. All information is integrated and analyzed to create proper foundation for each value conclusion formed B. Correlation and final valuation 1. Final step in appraisal process 2. Requires re-analysis and review of individual value estimates and other facts of the report: a. Check all mathematics and mechanics (1) Calculations (2) Techniques b. Reconsider relationship of underlying principles and basic methodology c. Check all data and information (1) Adequacy (2) Reliability (3) Applicability (4) Soundness d. Review each approach (1) Cost approach - site valuation (2) Comparison approach (3) Income approach - gross rent multiplier e. Review the purpose and objective of report and the characteristics of the property to determine which approach or combination is the most applicable. Consider in relation to soundness and adequacy of data available	XIV. Manual: Chapter 14 ARE: Chapter 24 Problem-solving activities.	XIV. Given a problem-solving activity, the student will be able to determine the correlation process and how it relates to the final value estimate.

Objective	Content Outline	Activity Experience	Evaluation
	3. Appraiser ultimately arrives at value conclusion whic is objective, reasonable and most capable of being supported. Has involved critical and impartial reexamination for each phase of appraisal process 4. Estimates derived from three approaches may indicate wide value range. Differences are considered and explained in appraisal report indicating acceptance of one or more as basis of final value conclusion		

Objective	Content Outline	Activity Experience	Evaluation
XV. To be able to prepare an appraisal report.	XV. The Appraisal Report	XV. Manual: Chapter 15 ARE: Chapter 25 Explanation and demonstration of the Narrative and Form Report.	XV. The student will prepare an appraisal report.

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BIBLIOGRAPHY

1. Books

Textbook: Knowles, Jerome, Jr. Single Family Residential Appraisal Manual. Prepared for Education Committee. Chicago: American Institute of Real Estate Appraisers, 1973.

An Introduction to Mortgage-Equity Capitalization. Chicago: American Institute of Real Estate Appraisers, N.D.

Appraisal of Real Estate. 6th ed. Chicago: American Institute of Real Estate Appraisers, 1973.

Appraisal Terminology and Handbook. 5th ed. Chicago: American Institute of Real Estate Appraisers, N.D.

Babcock, Henry A., Appraisals Principles and Procedures. Homewood, Illinois: Richard D. Irwin, Inc., 1968.

Case, Fred E., The Challenge of Teaching Appraisal Courses. Chicago: Society of Real Estate Appraisers Charitable Foundation, 1966.

Creteau, Paul G., Real Estate Appraising (Step by Step). Portland, Maine: Castle Publishing Co., 1972.

Dilmore, Gene. The New Approach to Real Estate Appraising. Englewood Cliffs, New Jersey: Prentice-Hall, Inc., 1971.

Ellwood Tables for Real Estate Appraising and Financing: Part I, Explanatory Text; Part II, Tables. Chicago: American Institute of Real Estate Appraisers, May, 1970.

Friedman, Edith J., ed. Encyclopedia of Real Estate Appraising. Englewood Cliffs, New Jersey: Prentice-Hall, Inc., 1968.

May, Arthur A., The Valuation of Residential Real Estate. 2nd ed. Englewood Cliffs, New Jersey: Prentice-Hall, Inc., 1953.

McMichael, Stanley L., McMichael's Appraising Manual. 4th ed. Englewood Cliffs, New Jersey: Prentice-Hall, Inc., 1951.

Ring, Alfred A., The Valuation of Real Estate. 2nd ed. Englewood Cliffs, New Jersey: Prentice-Hall, Inc., 1970.

Schumacher, David T., Real Estate Appraisal I: Student Manual. California: Department of Real Estate, 1970.

Schumacher, David T., Real Estate Appraisal I: A Teacher's Guide. California: Department of Real Estate, 1970.

Sample Appraisal Reports and Problems:

Appraisal Reporting Techniques: Volume I. Chicago: American Institute of Real Estate Appraisers.

Appraisal Reporting Techniques: Volume IV. Chicago: American Institute of Real Estate Appraisers.

Case Study Appraisal Reports: Single Family Dwellings. Volume 1. Chicago: American Institute of Real Estate Appraisers.

Free, Robert L., 152 Problems in Real Estate Appraisal with Suggested Solutions. 2nd ed. Chicago: American Institute of Real Estate Appraisers.

Problems in Urban Real Estate Appraisal with Suggested Solutions. 4th ed. Chicago: American Institute of Real Estate Appraisers, 1968.

A Student's Appraisal Report on a Single-Family Residence. Chicago: American Institute of Real Estate Appraisers.

2. Periodicals

The Appraisal Journal. Chicago: American Institute of Real Estate Appraisers.

The Appraiser. Chicago: American Institute of Real Estate Appraisers.

"Mortgage-Equity Capitalization: Ellwood Method." The Appraisal Journal. April, 1966.

The Real Estate Appraiser. Chicago: Society of Real Estate Appraisers.

3. Audivisual Aids

Instructor may prepare transparencies and/or slides relevant to each section.

4. Other Sources

American Institute of Real Estate Appraisers
155 East Superior Street
Chicago, Illinois 60611

4. Other Sources continued:

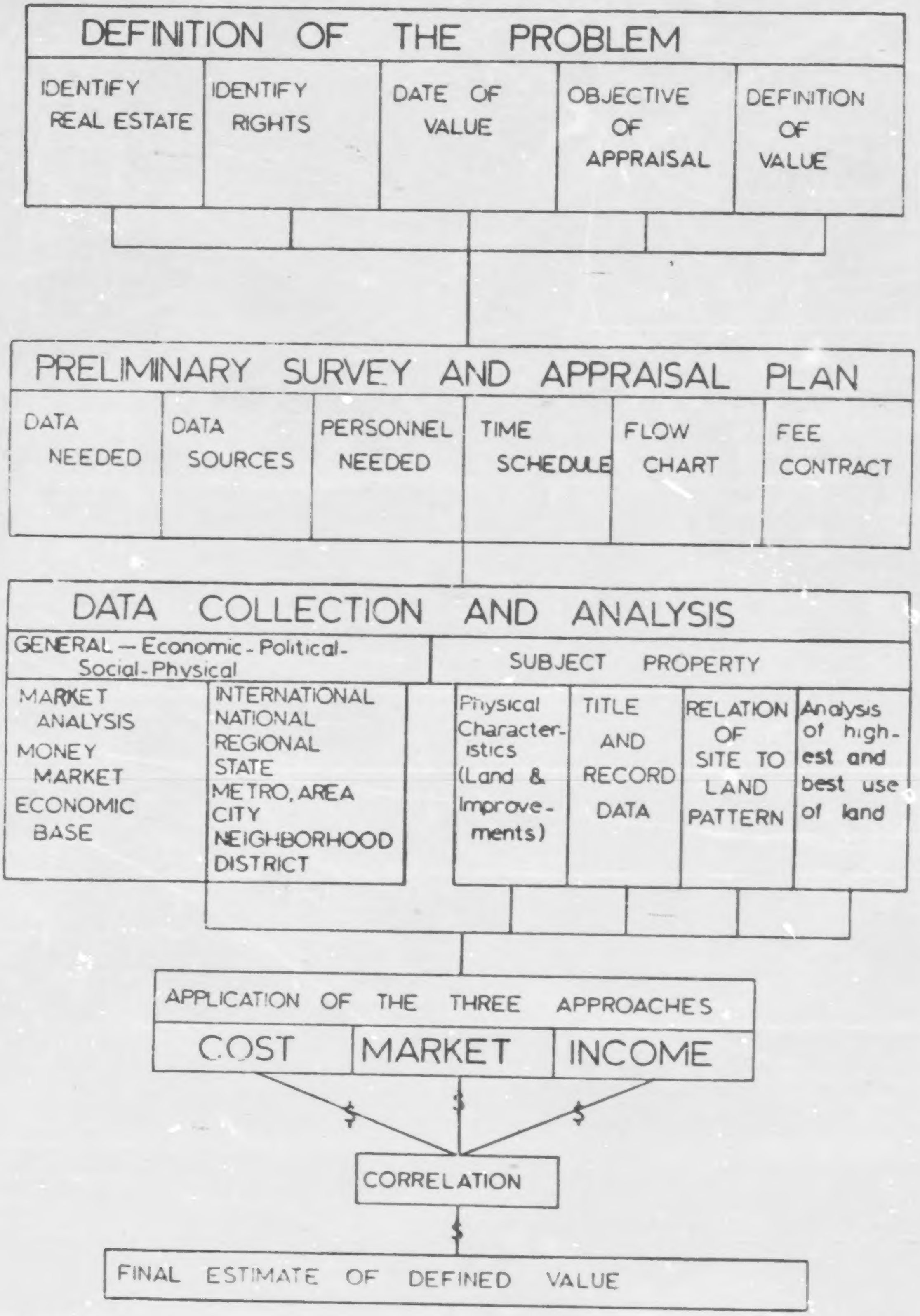
Mr. Jim Bichsel
Executive Vice President
North Carolina Association of REALTORS, Inc.
American Institute of Real Estate Appraisers
North Carolina Chapter 40
P. O. Box 6306
Greensboro, North Carolina 27405
(919) 273-0504

Society of Real Estate Appraisers
7 South Dearbo Street
Chicago, Illinois 60603
(312) 346-7422

North Carolina Real Estate Educational Foundation, Inc.
P. O. Box 6306
Greensboro, North Carolina 27405
(919) 273-0504

APPENDIX

THE EXPANDED APPRAISAL PROCESS


DEFINITION OF THE PROBLEM
IDENTIFY REAL ESTATE
IDENTIFY RIGHTS
DATE OF VALUE
OBJECTIVE OF APPRAISAL
DEFINITION OF VALUE
PRELIMINARY SURVEY AND APPRAISAL PLAN
DATA NEEDED
DATA SOURCES
PERSONNEL NEEDED
TIME SCHEDULE
FLOW CHART
FEE CONTRACT
DATA COLLECTION AND ANALYSIS
GENERAL — Economic - Political - Social - Physical
MARKET ANALYSIS
MONEY MARKET
ECONOMIC BASE
INTERNATIONAL
NATIONAL
REGIONAL
STATE
METRO, AREA
CITY
NEIGHBORHOOD
DISTRICT
SUBJECT PROPERTY
Physical Characteristics (Land & Improvements)
TITLE AND RECORD DATA
RELATION OF SITE TO LAND PATTERN
Analysis of highest and best use of land
APPLICATION OF THE THREE APPROACHES
COST
MARKET
INCOME
$
$
$
CORRELATION
$
FINAL ESTIMATE OF DEFINED VALUE

SYLLABUS FOR
PROPERTY MANAGEMENT
BUSINESS 296

This syllabus was developed by Henry M. McCown, Building Manager, Branch Banking and Trust Company, Raleigh, North Carolina.

Special appreciation is expressed to Mr. McCown for his time, cooperation and assistance in developing this syllabus.

BUSINESS 296

Property Management

I. DESCRIPTION OF COURSE:

A study of the nature of property management, types of property, lease preparation, property maintenance and protection of property (Insurance). Other topics include accounting and budgeting in property management, tenant selection and legal and professional requirements of a property manager.

II. COURSE OBJECTIVE:

Given the materials as presented in this course, the student will be able to identify the functions of a property manager and the relationship of the property manager with the real estate industry.

III. COURSE OVERVIEW:

A. History of Property Management

B. Types of Income-Producing Property

C. Leases and Property Management

D. Insurance and Property Management

E. Fiscal and Budgetary Requirements of Property Management

F. Maintenance and Operating Procedures of Property Management

G. Legal Requirements of the Property Manager

IV. CREDITS, HOURS, PREREQUISITES:

A. Three (3) quarter hours credit

B. Three (3) class hours per week

C. Prerequisites: Fundamentals of Real Estate I, II
Accounting I, II
Real Estate Law

V. EVALUATION:

The evaluation should be based on the completion of stated objectives and should include one or more of the following:

A. Two objective-type tests
   1. Mid-term examination
   2. Final examination

B. Two discussion-type tests as described in A.

C. Two combination tests - objective-type and discussion-type - as described in A and B.

Objective	Content Outline	Activity Experience	Evaluation
I. To introduce students to background and functions of a property manager.	I. Introduction A. Definition of a property manager B. Background and history of property management C. Basic functions of a property manager	I. Lecture/Discussion Give the student reasons for this real estate specialty by learning historical background and reasons for using property manager. Application of basic functions to real property management.	I. Given an objective or subjective test, the student will be able to identify the professional category of property management and can see relationships among the basic functions of management.
II. To present to the student the principal categories of properties managed	II. Types of Income-Producing Properties A. Commercial 1. Office buildings a. High rise b. Suburban 2. Shopping Centers a. Malls b. Strips 3. Warehouses 4. Institutional/Manuafacturing a. Research Centers b. Governmental c. Hospitals 5. Hotels/Motels 6. Medical buildings B. Residential 1. Single family 2. Apartments a. Duplexes, tri-plexes b. Garden type c. High rise 3. Cooperatives 4. Condominiums 5. Townhouses 6. Low income housing	II. Lecture/Discussion Audiovisual/Field Trips Give the student a thorough study of the two types of income-producing properties as well as the identifiable classes of properties within those types. Give examples of each class of managed property through pictorial or field trip experiences.	II. Given an objective test, the student can identify and relate the classes and types of all real property that is considered for property management.

Objective	Content Outline	Activity Experience	Evaluation
III. To enable students to identify the legal and moral aspects of a lease contract and reasons for their use.	III. Leases and Their Preparation A. Need for leases (Lease is a contract) B. Types of leases or rental agreements 1. Gross lease 2. Net lease 3. Percentage lease C. Essential provisions of the lease; standard components of the lease contract D. Specific and directly related provisions of the lease regarding premises to be leased E. Lease signatures; recording of leases	III. Lecture/Discussion To enable the student to thoroughly understand the items contained in a lease contract; become familiar with legal jargon and phrase construction; know how to legally amend a lease for protection of both parties.	III. Given an objective test, the student will be able to identify or associate each integral part of the lease contract and show each parts relationship to the whole.
IV. To acquaint the student with the types of insurance coverage with which the property manager is concerned.	IV. Insurance A. Required for owner's property 1. Fire loss and extended coverage 2. General liability 3. Casualty insurance; consequential loss 4. Workmen's compensation B. Required for property manager 1. Surety/Fidelity bonds 2. Errors and omissions 3. Workmen's compensation 4. Automobile liability	IV. Lecture/Discussion An overview to refresh the student as to how insurance of these classes is necessary to protect the owner's property, and also the necessary insurance coverage for the property manager in his own business.	IV. Given a subjective test, the student will be able to identify and analyze each type of insurance necessary for real and chattel properties as well as those other necessary coverages.

Objective	Content Outline	Activity Experience	Evaluation
V. To give the student an understanding of how basic accounting applies in the management of income-producing properties.	V. Fiscal and Budgetary A. Budgets and their preparation 1. Income determination 2. Expenses projection 3. Contingency funds B. Records and accounting 1. Owner's monthly statements 2. Income records a. Rentals b. Other tenant charges c. Miscellaneous C. Expense records 1. Operating expenses 2. Maintenance charges 3. Administrative expenses 4. Fixed charges D. Auxiliary records 1. Payrolls 2. Insurance 3. Employee contracts 4. Collections and delinquencies 5. Taxes - real and personal property 6. Taxes - sales and other 7. Tenant occupancy and turnover E. Computer accounting and bookkeeping 1. Procedures and adaptation 2. BOMA chart of accounts F. Credit controls	V. Lecture/Discussion To present to the student the necessary accounting and bookkeeping tools necessary for sound property management. To acquaint the students with forms, procedures, and guides used to account for all funds collected and disbursed.	V. Given an objective/subjective test, the student can present a comprehensive outline of all necessary steps, procedures, and mechanical operations used in controlling the owner's cash flow.

Objective	Content Outline	Activity Experience	Evaluation
VI. To acquaint the student with the basic types of maintenance required in commercial and residential properties.	VI. Maintenance and Operating Procedures A. Categories of maintenance 1. Physical, i.e., structural 2. Functional, i.e., mechanical 3. Cleanliness, i.e., janitorial 4. Merchandising 5. Deferred B. Contract services for maintenance 1. Mechanical 2. Electrical 3. Cleanliness C. Building maintenance staff D. Preventive maintenance and continuing inspections	VI. Lecture/Discussion Audiovisual slides To present to the student how and why maintenance is a rigid requirement in property management; presentation of structural and mechanical items to maintain; study of contracted maintenance vs. the building staff; preventive maintenance; deferred maintenance; emergency controls.	VI. Given an objective/subjective test, the student can identify maintenance procedures and techniques; show a basic knowledge of heating and cooling systems; can organize and perpetrate a good maintenance program.
VII. To acquaint the student with the procedures used in acquiring and retaining tenants in rental units (residential or commercial).	VII. Tenant Relations A. Tenant selection/screening 1. Application forms 2. Credit references 3. Tenant interview 4. Tenant requirements 5. Expansion requirements 6. Follow-up after leasing (commercial) B. Fair housing practices (Civil Rights Act of 1968, Title VIII)	VII. Lecture/Discussion To present to the student the necessary steps and procedures in determining through various sources whether tenants are desirable or undesirable; their future needs and whether they are happy tenants. A discussion of Fair Housing Practices is held. Classroom activity can be held to show (by example) a tenant application-simulation.	VII. Given a subjective test, the student can present the procedures and techniques in good tenant-manager relationships.

Objective	Content Outline	Activity Experience	Evaluation
VIII. To be able to identify the legal requirements as well as the professional designations of the property manager.	VIII. Legal Requirements of the Property Manager A. Required licenses 1. Brokers 2. Privilege (North Carolina) B. Meet requirements of the N. C. Real Estate Licensing Board C. Management agreement (Contract between owner and property manager) D. Desired professional status of a property manager 1. REALTOR 2. Certified by the Institute of Real Estate Management of the National Association of REALTORS	VIII. Lecture/Discussion To present to the student the necessary legal requirements of the property manager; a review of the Real Estate License Law; the study of the professional property manager.	VIII. Given an objective test, the student can identify the necessary legal requirements to do business as a property manager and the need for professional status.

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1. Books

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Webster, James A., Jr. *North Carolina Real Estate for Brokers and Salesmen*. Englewood Cliffs, New Jersey: Prentice-Hall, Inc., 1974.

2. Periodicals

Journal of Property Management, Bi-monthly Publication of the Institute of Real Estate Management.

3. Audiovisual Aids

Instructors may develop slides of various types of property.

4. Other Sources

Hanford, Lloyd D., Sr. *The Property Management Process*. Chicago: Institute of Real Estate Management, 1972.

Educational Division
Institute of Real Estate Management
155 East Superior Street
Chicago, Illinois 60611
(312) 664-9700

BUSINESS 247

Business Insurance*
(Fundamentals of Risk and Insurance)

DESCRIPTION OF COURSE:

An investigation of fundamentals of risk and its application with particular emphasis upon the exposures faced by the consumer and the insurance techniques to cope with the exposures. Offered to the individual who will be a purchaser of insurance and as an introductory course to those who might want further study in insurance preliminary to employment.

COURSE HOURS PER WEEK: Class, 3; Laboratory, 0.

QUARTER HOURS CREDIT: 3

PREREQUISITE: None

MAJOR DIVISIONS OF COURSE CONTENT:

I. The Insurance Mechanism

II. Functions of Insurance Business

III. Basic Concepts, Principles and Methods of Treating Risk

IV. Insurance Contracts

V. Insurance Policy

VI. Buying Insurance

VII. Property Insurance

VIII. Personal Insurance

IX. Governmental Regulations of Insurance

SUGGESTED TEXTBOOKS:

Athearn, James L., Risk and Insurance. 2nd ed. New York: Appleton-Century-Crofts, Inc., 1969.

Denenberg. Herbert S. and others. Risk and Insurance. 2nd ed. Englewood Cliffs, New Jersey: Prentice-Hall, Inc., 1974.

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*This is an abstract of the Insurance syllabus. For a complete copy of the syllabus, write to Program Development Division, Department of Community Colleges, Education Building, Raleigh, North Carolina 27611.

Elliott, Curtis M. and Emmett J. Vaughan. Fundamentals of Risk and Insurance. New York: John Wiley and Sons, Inc., 1972.

Greene, Mark R., Risk and Insurance. 3rd ed. Cincinnati: South-Western Publishing Co., 1973.

Mehr, Robert I. and Bob A. Hedges. Risk Management: Concepts and Applications. Homewood, Illinois: Richard D. Irwin, Inc., 1974.

Mowbray, Albert H. and others. Insurance: Its Theory and Practice in the United States. 6th ed. New York: McGraw-Hill Book Co., 1969.

Williams, Jr., C. Arthur and Richard M. Heins. Risk Management and Insurance. 2nd ed. New York: McGraw-Hill Book Co., 1971.

SIXTH QUARTER

SYLLABUS FOR
LAND USE POLICY AND GOVERNMENTAL INFLUENCE ON REAL ESTATE
BUSINESS 228

Special appreciation is extended to Mr. John O. Macmillan, Community Planning Associates, Inc., Raleigh, North Carolina, for designing this course.

BUSINESS 228

Land Use Policy and Governmental Influence on Real Estate

I. DESCRIPTION OF COURSE:

A study of the local and national trends in the development, use and value of real property, as well as governmental policies and their affect on the real estate market. Skills are developed in the analysis, research and correlation of the various trends, policies and factors affecting real estate.

II. COURSE OBJECTIVE:

Given the material as presented in this course, the student will be able to describe and discuss land use controls and legislation and their influence on the real estate industry.

III. COURSE OVERVIEW:

A. History of land use and land use controls

B. Land use legislation

C. Local planning board

D. Zoning ordinance

E. Subdivision regulations

F. Building codes

G. Federal, state and local influences on real estate

IV. CREDITS, HOURS, PREREQUISITES:

A. Four (4) quarter hours credit
B. Three (3) class hours per week; two (2) laboratory hours per week
C. No prerequisite

V. EVALUATION:

The evaluation is based on the completion of stated objectives and should include:

A. Two objective-type tests
    1. Mid-term examination
    2. Final examination (comprehensive)
B. Laboratory work

Syllabus for

Land Use Policy and Governmental Influence on Real Estate

Objective	Content Outline	Activity Experience	Evaluation
	I. Introduction to the Purpose and Objectives of Land Use Controls	I.	I.
A. To introduce students to the historical background of man's outlook on the use of land and why land use controls are necessary	A. Evolution of planning principles 1. Early European town plans 2. American city beautiful movement 3. Twentieth century rationale 4. New town concept	Lecture/discussion Demonstrations: (1) Obtain copies of land use plans from developers, advertisers, housing associations, etc. (2) Make or obtain slides of city models, greenway systems, before/after urban renewal areas (may borrow from local community planning associations, home associations)	Given an objective test, the student will be able to identify the legislative body's justification for passing land use laws with 70% accuracy
B. To be able to understand the structure of land use laws	B. Land use legislation 1. State administered law 2. City and county authority 3. Miscellaneous land use statutes		

Objective	Content Outline	Activity Experience	Evaluation
	II. Organization of Local Planning Bodies	II.	II.
A. To be able to understand the structure of planning boards	A. The planning board 1. Duties 2. Community pressure 3. Influence	Lecture/discussion Use textbook. Obtain description of a planning board and other literature from the local planning board. May utilize a city councilman, county commissioner or city planner to discuss planning board and policy-making board	Given an objective test, the student will be able to identify the structure of the planning board, its responsibilities and its influences on land controls with 70% accuracy
B. To be able to identify the policy-making body's role in sound planning	B. The policy-making body 1. Administrative responsibility 2. Power and special interest groups 3. Decision making		

Objective	Content Outline	Activity Experience	Evaluation
	III. The Local Comprehensive Plan	III.	III.
A. To be able to identify the purpose, elements and methods for implementation of a comprehensive land-use plan	A. Authority and requirements	Lecture/discussion Laboratory period to display and analyze land use plans	Given an objective test, the student will be able to cite the basic elements in land use plans with 70% accuracy
	B. Elements 1. Topography 2. Soil conditions 3. Transportation 4. Utilities 5. Exiting land use 6. Proposed land use		
	C. Implementation		

Objective	Content Outline	Activity Experience	Evaluation
	IV. The Zoning Ordinance: Part I	IV.	IV.
A. To introduce the student to the zoning ordinance as an instrument of land use control	A. Purpose and authority	Lecture/discussion Laboratory period used for exposing student to various land use schemes and how to determine residential, industrial, commercial zoning, how to set up population densities and zoning maps. Attend hearings on zoning cases, visit property proposed for re-zoning	Given an objective test, the student should be able to list types of land use such as commercial, residential, institutional, and open space, various categories of residential densities and permitted uses within each zoning category with 70% accuracy
	B. Zoning district 1. Permitted land use 2. Density		
	C. Zoning map		

Objective	Content Outline	Activity Experience	Evaluation
	V. The Zoning Ordinance: Part II	V.	V.
A. To be able to identify the process involved in zoning	A. Initial zoning and rezoning 1. Land use studies 2. Zoning plan 3. Zoning approval sequence 4. Appeals	Lecture/discussion Laboratory period used to show how zoning districts are determined	The student will be able to apply lecture concepts discussed in laboratory work on zoning districts
	B. Dimensional regulations 1. Lot sizes 2. Set backs 3. Parking 4. Signs		

Objective	Content Outline	Activity Experience	Evaluation
	VI. The Zoning Ordinance: Part III	VI.	VI.
A. To identify the functions of the Board of Adjustment and the guarantee it provides for the individual	A. Board of Adjustment	Lecture/demonstration Lecture on Board of Adjustments Field trip to Board of Adjustments meeting. Use visuals in innovative land planning (refer to bibliography list)	Given an objective-type test, the student will be able to identify the structure, purpose and influence of the Board of Adjustments and identify the advantages of innovative planning with 70% accuracy
B. To be able to identify the new concepts for orderly land use	B. Innovative land planning 1. Planned unit development 2. Group housing 3. Planned unit ownership		

Objective	Content Outline	Activity Experience	Evaluation
	VII. The Subdivision Regulations	VII.	VII.
A. To be able to identify the various elements of the subdivision regulations	A. Purpose and authority	Lecture/discussion Demonstration of various design standards and techniques involved in subdivisions Laboratory period for attendance at Board meeting for subdivision approval	Given an objective-type test, the student will be able to cite the objectives and purposes of subdivision regulations, and to describe elements integral to subdivision regulations
	B. Design standards 1. Streets 2. Lots 3. Blocks		
	C. Preliminary plat		
	D. Final plat		
	E. Approval and recordation		
	F. Improvements inspection		
	G. Sale of lots		

Objective	Content Outline	Activity Experience	Evaluation
	VIII. Building Codes	VIII.	VIII.
A. To be able to differentiate among the building codes necessary for constructing buildings such as: homes, offices, apartments, industrial plants	A. Southern standard building code	Lecture/discussion Handouts: Use examples of building codes from local authorities (refer to bibliography) Project: Have students work with local building inspector	The student should be able to list with 100% accuracy the codes that must be complied within building
	B. Heating, plumbing, electrical codes		
	C. Fire code		
	D. Housing code 1. North Carolina Building Code 2. North Carolina Residential Building Code		

Objective	Content Outline	Activity Experience	Evaluation
	IX. Federal Land Use Influences	IX.	IX.
A. To be able to identify federal agencies having significant impact on real property	A. F.H.A. and V.A. guidelines	Lecture/discussion	Given an objective-type test, the student should be able to identify with 100% accuracy the state and local agencies having significant impact on real property
	B. Corps of Engineer flood control regulations		
	C. Environmental Protection Agency guidelines		
	D. Local assistance appropriations		
	E. Fair Housing Laws		

Objective	Content Outline	Activity Experience	Evaluation
	X. State and Local Influences on Real Estate	X.	X.
A. To be able to identify state and local agencies having significant impact on real property	A. Water and air regulations	Lecture/discussion	Given an objective-type test, the student should be able to identify with 100% accuracy the state and local agencies having significant impact on real property
	B. Health regulations 1. Septic tanks 2. Private wells		
	C. Highway and road policy		
	D. Utilities commissions		
	E. Tax assessment		
	F. State Soil Erosion Ordinance, local co-requisites		
	G. Coastal Area Management Act		

Objective	Content Outline	Activity Experience	Evaluation
XI. Review and examination	XI. Review and Examination	XI. Review	XI. Comprehensive examination

BIBLIOGRAPHY

1. Books

Textbooks: Chapin, Jr., F. Staurt. Urban Land Use Planning. 2nd ed. Urbana: University of Illinois Press, 1965.

McKeever, J. Ross. (ed.) The Community Builders Handbook. Washington, DC: Urban Land Institute, 1968.

AMI Title Insurance Company. Closing Costs. Raleigh: AMI Title Insurance Company, February, 1974

Branch, Melville C. Planning: Aspects and Applications. New York: John Wiley & Son, Inc., 1966.

Gallion, Arthur B. and Simon Eisner. The Urban Pattern. 2nd ed. Princeton, New Jersey: Van Nostrand Reinhold Co., 1963.

Green,Jr., Philip P. An Introduction To The Legal And Governmental Framework Of Land-Use Planning. Chapel Hill: Institute of Government, The University of North Carolina, 1973.

Green, Jr., Philip P. Introductory Materials on Governmental Organization. (Mimeographed)

Green, Jr., Philip P. 1971: Planning Legislation in North Carolina. 8th ed. Chapel Hill: Institute of Government, The University of North Carolina, 1972.

Green, Jr., Philip P. 1973 Supplement To Planning Legislation in North Carolina. 8th ed. Chapel Hill: Institute of Government, The Univeristy of North Carolina, 1973.

McKeever, J. Ross (ed.) Business Parks, Office Parks, Plazas and Centers: A Study of Development Practices and Procedures. No. 65. Washington, DC: Urban Land Institute, 1970.

McKeever, J. Ross Dollars and Cents of Shopping Centers. Washington, DC: Urban Land Institute, 1972.

North Carolina Real Estate Licensing Law. Issued by North Carolina Real Estate Licensing Board. (July 1, 1971)

2. Periodicals

3. Audio-Visual Aids

Instructor should prepare slides when necessary to meet objective of each unit.

4. Other Sources

Urban Land Institute
1200 - 18 Street, NW
Washington, D. C. 20036

Institute of Government
The University of North Carolina at Chapel Hill
Chapel Hill, North Carolina 27514

Jack Linville, Jr.
Assistant Executive Director
American Institute of Planners
1776 Massachusetts Avenue, NW
Washington, D. C. 20036
(202) 872-0611

North Carolina Association of Home Builders
Cameron-Brown Building
4300 Six Forks Road
Raleigh, North Carolina 27609

Director of Technical Services and/or
Director of Seminars and Workshops
National Association of Home Builders
1625 L Street, NW
Washington, D. C. 20036

D. H. Hill Library
Reference Department
North Carolina State University
Raleigh, North Carolina 27607

James Hinkley, President
North Carolina Chapter
American Institute of Planners
Coastal Zone Resources Corporation
No. 4 Maiden Lane
Raleigh, North Carolina 27607
(919) 832-7550
or
P. O. Box 30084
Raleigh, North Carolina 27612
(919) 787-8071

Local Planning and Management Services Section
North Carolina Department of Natural and Economic Resources
310 North Blount Street
Raleigh, North Carolina 27611

SYLLABUS FOR
REAL ESTATE MERCHANDISING
BUSINESS 231

This syllabus was developed by Dr. R. Jean Overton, Program Development Division, Department of Community Colleges. Information for the syllabus was supplied by Mr. Bill Gardner, The Raleigh Times/News and Observer. Appreciation is expressed to Mr. Gardner.

BUSINESS 231

Real Estate Merchandising

I. DESCRIPTION OF COURSE:

A survey of the real estate merchandising process including advertising, marketing and selling with special emphasis on the real estate salesperson, the consumer and influence on the economy.

II. COURSE OBJECTIVES:

Given the information as presented in this course the student will be able to identify the role of advertising, marketing and selling in the real estate industry and their influence on the consumer and the economy.

III. COURSE OVERVIEW:

A. Advertising media
B. Advertising program (budget and policy)
C. Marketing real estate (buying and selling)

IV. CREDITS, HOURS, PREREQUISITES

A. Three (3) hours credit
B. Three (3) hours class per week
C. Prerequisites include Business 239, Introduction to Marketing and Business 216, Real Estate Brokerage and Sales or approval by instructor

V. EVALUATION

Evaluation should be based on the completion of stated objectives and should include at least one of the foolowing:

A. Two objective-type tests
    1. Midterm examination
    2. Final examination
B. Two discussion-type tests
    1. Midterm examination
    2. Final examination
C. Two combination tests, objective-type and discussion-type as described in A and B
D. Writing an advertisement for a selected medium
E. Real estate sales project

Real Estate Mercnandising

Business 231

Objective	Content Outline	Activity Experience	Evaluation
I. To be able to distinguish between the terms: merchandising, marketing and advertising.	I. Definition of Terms A. Merchandising defined B. Marketing defined C. Advertising defined	I. Lecture/discussion Find several definitions of the three terms and relate the definitions to real estate or have class decide on best definition for real estate.	I. Given an objective-type test the student will be able to distinguish between the terms: merchandising, marketing, and advertising.

Objective	Content Outline	Activity Experience	Evaluation
II. To be able to prepare an advertising budget.	II. Preparing an Advertising Budget A. Points to consider 1. Company's goals 2. Previous year's sales by months 3. Estimated sales for the present year 4. Other real estate industries advertising a. Samples of advertising b. Cost of advertising 5. Media for best advertising results 6. Cost of advertising media 7. Schedule for advertising a. What to advertise b. Where to advertise 8. Evaluation of results from last year's advertising B. Advertising produces sales 1. Advertising should not necessarily control budget 2. Other factors to consider a. Age and location of business b. Competition	II. Lecture/discussion Reading Assignment: *Advertising: Preface and page 10 **Marketing: Preface Have students interview a representative from a real estate office to discuss the way their advertising budget is planned. Bring or have students collect real estate advertising samples and compare various means of real estate advertising among industries.	II. Given the appropriate information, the student will be able to prepare an advertising budget.

*Advertising: Advertising Real Estate Successfully.

**Marketing: Marketing Real Estate Successfully.

Objective	Content Outline	Activity Experience	Evaluation
III. To be able to discuss the need and purpose for advertising in real estate.	III. Purpose of Advertising A. Tell world about your product or service B. Cause public to prefer your product or service over your competition	III. Lecture/discussion	III. Given a discussion-type or oral test, the student will be able to discuss the need and purpose of advertising in real estate.

Objective	Content Outline	Activity Experience	Evaluation
IV. To be able to describe methods for building an inventory through advertising and marketing.	IV. Building an Inventory Through Marketing and Advertising A. Basic objectives and policy of the firm B. Method of promotion and/or communication (various sources of listing) C. Inventory controls 1. Are controls necessary 2. Keeping inventory current	IV. Lecture/discussion Reading Assignment: Advertising: Chapter 1 Marketing: Chapter 1 A REALTOR should be able to provide useful information for this section, particularly in terms of sources of listing and inventory factors.	IV. Given an objective-type or discussion-type test, the student will be able to describe methods for building an inventory through advertising and marketing.

Objective	Content Outline	Activity Experience	Evaluation
V. To be able to determine the factors that influence the buying and selling of real estate.	V. Buying and Selling Real Estate A. Consumer wants and demands B. Pricing 1. Supply and demand 2. Federal and state laws a. Robinson Patman Act b. Fair Trades Act c. Nonsignor Clause d. Miller Tydings Act e. Unfair Sales Practice Act C. Market conditions 1. Competition in the market 2. Using economic indicators in forecasting expected sales D. Selling sellers	V. Lecture/discussion Reading Assignment: Marketing: Chapters 2, 3, and 7 The reading assignment will provide useful information about both the buyer and seller in the real estate field. C.-2. Have students visit or use as classroom speaker, a local banker from a bank or savings and loan association to discuss how to use economic indicators to forecast expected sales.	V. Given an objective- or discussion-type test, the student will be able to identify the factors influencing the buying and selling of real estate with 70% accuracy.

Objective	Content Outline	Activity Experience	Evaluation
VI. To be able to describe trade-ins and their influence on the real estate market.	VI. Trade-Ins A. Influence on the real estate market B. Creation of volume on the real estate market	VI. Lecture/discussion Reading Assignment: Marketing: Chapter 4	VI. Given an objective- or discussion-type test, the student will be able to describe trade-ins and their influence on the real estate market.

Objective	Content Outline	Activity Experience	Evaluation
VII. To be able to identify the selling process in real estate and to identify the characteristics of a successful salesperson.	VII. Characteristics and Other Factors Related to the Real Estate Salesperson A. Sale fundamentals B. Development of the salesperson C. Keeping salesperson up to date D. The sales prospect E. The property 1. Financing 2. Amenities 3. Showing the property 4. Closing the sale F. The successful salesperson	VII. Lecture/discussion Reading Assignment: Marketing: Chapters 5, 6, 8, 9, 10, 11 and 12 Use case studies or problems for role playing situations.	VII. Given a problem situation, the student will be able to demonstrate through role playing the selling of real estate and/or to describe the procedure for selling.

Objective	Content Outline	Activity Experience	Evaluation
	VIII. Advertising	VIII. Lecture/discussion Make a collection of the various means of advertising used in real estate.	VIII. Student collection of various means of advertising media used in the local area (collection should include description of the medium used and the reason for using the medium and a critique of each).
A. To be able to identify the various types of advertising media. To be able to identify the medium used most frequently in the real estate industry.	A. Types of advertising media 1. Newspaper a. Display advertising b. Classified advertising c. Most frequently used for advertising purposes 2. Company or company-related publications used for advertising in North Carolina a. Individual company (1) Newsletter (2) Bulletin (3) Magazine (4) Refer to 3-c for other means b. Welcome Book c. Gallery Glimpses d. Homes for Living 3. Advertising by direct mail a. Purposes of advertising by direct mail b. Compiling the mailing list c. Means used in direct mail advertising (1) Yearly reports (2) Catalogs (3) Company magazines (4) Newsletters (5) Bulletins (6) Institutional brochures (7) Selling brochures (8) Post cards (9) Leaflets, folders and broadsides	A.-1. Reading Assignment: Advertising: Chapter 2 Visit the local newspaper or have an advertising representative as class speaker to discuss real estate newspaper advertising. A.-2. Visit or have students visit local REALTOR's office to obtain copies of the publications they use for advertising purposes. A.-3. Lecture/discussion Reading Assignment: Advertising: Chapter 4 Have students collect direct mail advertisements used by local real estate industry and discuss in class.	

Objective	Content Outline	Activity Experience	Evaluation
	4. Advertising on the air a. Radio (1) Special programs (2) Regular local programs (3) Spot announcements (4) Radio personalities (5) Cooperative b. Television (1) Photolisting (2) Story commercial (3) Cartoon commercial (4) Sponsored program (5) Multiple-listing service program (6) Merchandising	A.-4. Lecture/discussion Reading Assignment: Advertising: Chapter 5 Visit or plan field trip to local radio and/or television station and have representative discuss the ways and means of real estate advertising by the respective medium.	
	5. Other types of advertising a. Window displays b. Signs c. Automobile advertising d. Company correspondence (1) Letterheads (2) Invoice headings e. Novelties and gifts f. Public relations and advertising	A.-5. Lecture/discussion Reading Assignment: Advertising: Chapters 3, 6 and 7 Have students collect examples of advertising in this section and discuss advantages and disadvantages.	
B. To be able to design an advertising program and give reasons for having such a program.	B. Total advertising program 1. Objectives a. Determine objectives b. Determine medium to use based on: (1) Timeliness (2) Completeness (3) Population to reach (4) Exposure (prospective buyer exposed to regularly)	B. Lecture/discussion Case studies on advertising programs. Analysis of an advertising program.	B. Given the appropriate information, the student will be able to design an advertising program for a real estate industry.

Objective	Content Outline	Activity Experience	Evaluation
	2. Advertising policy a. Budget (refer to Section II also) b. Letter of explanation c. Out-of-town prospect d. Vice president for public relations e. National associations (1) Referral fees (2) National publications	B.-2. Visit local REALTOR or have as class speaker to discuss advertising policy in the industry.	
C. To be able to use the Modern Ad Writer in the writing of a real estate advertisement for a selected medium.	C. Modern Ad Writer	C. Reference material on and how to use the Modern Ad Writer: Advertising: Chapter 9 Consult with and/or visit local newspaper, radio or television stations to discuss the writing and producing of real estate advertisements. Have students write a real estate advertisement for the various media.	C. Given the appropriate information, the student will prepare a real estate advertisement for a selected medium.

BIBLIOGRAPHY

1. Books

Textbooks:

Morris, L. Allen and Editorial Board. Advertising Real Estate Successfully. Chicago: National Institute of Real Estate Brokers, 1967.

Morris, L. Allen and Editorial Board. Marketing Real Estate Successfully. Chicago: National Institute of Real Estate Brokers, 1964.

Other books:

Berlin, Helene (ed.). Real Estate Advertising Ideas. Chicago: National Institute of Real Estate Brokers, 1973.

Greene, Ray J., How to Double the Payoff From Your Real Estate Advertising. Englewood Cliffs, New Jersey: Executive Reports Corporation, 1974.

Nicosia, Francesco M., Advertising, Management, and Society: A Business Point of View. New York: McGraw-Hill Book Company, 1974.

2. Periodicals

"A Guide to More Successful Real Estate Advertising." Published by International Newspaper Promotion Association, Dulles International Airport, P. O. Box 17422, Washington, D. C. 20041. (703) 620-9560.

"An Experiment in Improving Classified Advertising for Private Homes." March, 1968. Published by Bureau of Advertising, American Newspaper Publishers Association, 485 Lexington Avenue, New York, New York 10017.

"Better Real Estate Advertising." Prepared by the Classified Advertising Department, The Minneapolis Star, The Minneapolis Tribune, 425 Portland Avenue, Minneapolis, Minnesota 55414. (Price: $1.50)

MacDonald Classified Services. "Classified Executive." Published monthly by Harrison C. MacDonald & Sons, Inc., P. O. Box 225, Lafayette, Indiana 47902. (317) 742-9012.

3. Audiovisual

Instructors may acquire audiovisuals from local real estate offices, newspapers, radio, television, or prepare their own.

4. Other Sources

Bureau of Advertising
American Newspaper Publishers Association
458 Lexington Avenue
New York, New York 10017

SYLLABUS FOR
APPRAISAL III
BUSINESS 294

Special appreciation is extended to Mr. O. J. Clontz, Jr., M.A.I., Russing-Clontz, Boone, North Carolina, for designing this course.

BUSINESS 294

Appraisal III

I. DESCRIPTION OF COURSE:

A study of the capitalization of income and the income approach to value. Topics covered include an analysis of steps to estimate the value of income-producing properties such as apartments, hotels, motels, office buildings, retail stores, industrial, etc.; interest rates; recapture rates; capitalization rates and techniques, and appraisal of lease interests.

II. COURSE DESCRIPTION:

Given the materials as presented in this course, the student will be able to prepare an income property appraisal report.

III. COURSE OVERVIEW:

A. Rationale of Income Approach

B. Rental Income - Contract and Economic

C. Expenses Analysis

D. Income and Value

E. Capitalization Methods

F. Mortgage and Equity

G. Investment Analysis

IV. CREDITS, HOURS, PREREQUISITES:

A. Four (4) quarter hours credit

B. Two (2) hours lecture, three (3) hours laboratory

C. Prerequisite: Appraisal I, Appraisal II, or equivalent experience

V. EVALUATION:

Evaluation should be based on the completion of stated objectives and should include at least one of the following:

A. Preparation of an Income-Producing Property Appraisal Report (This evaluation technique is highly recommended)

B. Objective-type test
    1. Midterm examination
    2. Final examination
C. Problem-solving test
    1. Midterm examination
    2. Final examination
D. Combination examinations of A and B

LABORATORY HOURS

Laboratory hours for this course are at the discretion of the instructor and may vary depending upon the amount of field research needed.

The laboratory period should consist of such activities as:

1. Working appraising problems
2. Visits to local courthouse
3. Collection of data from courthouse records, tax records, etc.
4. Collection of sales data from REALTORS
5. Inspection of sales property
6. Interviewing buyers and sellers - REALTORS, attorneys, mortgage bankers or other principals who participate in real estate transactions involving investment properties

Recommended Time Schedule for Appraisal III

Lecture Number	Lecture Hours	Laboratory Hours	Outline Section Number
1	3	2	I
2	3	2	II, III
3	3	2	IV, V
4	3	2	VI, Review
5	3	2	VII, VIII Examination
6	3	2	IX
7	3	2	X, XI, XII
8	3	2	XIII, XIV
9	3	2	XV, XVI
10	3	2	XVII
11	3	2	Review - Examination

Objective	Content Outline	Activity Experience	Evaluation
I. A review of: Income approach Basic principles affecting real property value Appraisal process Relationship of income and value	I. Rationale of Income Approach A. Nature of income property and lease interest 1. Concepts 2. Definitions B. Review of basic principles C. Income approach and the appraisal process D. Relationship of income and value 1. Multipliers 2. Overall rates	I. Assignment: *ARE: Chapters 2, 3, and 4 **SG: Capitalization Theory and Technique, Lessons 1 and 2 and Lexicon Problem Exercises: SG: Exercises, pp. 4 and 7	I. Given an objective-type or discussion-type test, the student will be able to (1) determine the rationale of the income approach (2) relate the income approach to the appraisal process and (3) relate income and value
II. To be able to figure net income expectancy through gross income estimates and analysis of expenses	II. Income Expectancy A. Gross income estimates B. Analysis of expenses C. Net income	II. Assignment: ARE: Chapters 17 and 18	II. Given a problem-type situation, the student will be able to figure income expectancy
III. A. To be able to figure the gross rent multiplier B. To be able to figure overall rates C. To be able to determine interest and capitalization rates D. To be able to determine return on capital To be able to determine return of capital E. To be able to select the appropriate rate selection method	III. The Relationship of Income and Value A. Gross rent multiplier B. Overall rates C. Interest rates and capitalization rates D. Return on capital and return of capital E. Rate selection methods	III, IV, V. Assignment: ARE: Chapters 19 and 20 SG: Capitalization Theory and Technique, Lessons 3 and 4 A Student's Appraisal Report on an Apartment House, pp. 22-31 Drill Problems SG: Exercises, pp. 14 and 22	III. Given a problem-solving situation, the student will be able to show the relationship of income and value

*ARE: The Appraisal of Real Estate
**SG: Course 1-B Study Guide

Objective	Content Outline	Activity Experience	Evaluation
F. To be able to determine the influence of other markets on the income approach and value G. To be able to figure built-up and blended rates	F. Influence of other markets 1. Mortgages 2. Bonds 3. Stocks G. Built-up and blended rates		
IV. To be able to use residual techniques to land, buildings, property, etc.	IV. Residual Techniques A. Land B. Building C. Property D. Other	IV. See III.	IV. Given a problem-type situation, the student will be able to select the appropriate residual technique
V. To be able to use straight-line, economic life and rate surcharge recovery concepts	V. Capital Recovery Concepts A. Straight-line B. Economic life C. Rate surcharge	V. See III.	V. Given the appropriate information, the student will be able to select a capital recovery technique and figure capital recovery
VI. A. To be able to determine the return on and return of capital B. To be able to identify the six (6) functions of a dollar ($1) C. To be able to construct a basic interest table D. To be able to use an interest table	VI. Annuity Capitalization (Capitalization with compound interest tables) A. The nature of annuities 1. Return on capital 2. Return of capital B. Mathematics of finance and compound interest tables - Six (6) functions of $1 C. Construction of table 1. Tabular expansion 2. Interpolation 3. Annuities in advance 4. Frequency of payments D. Use of tables	VI. Assignment: ARE: Chapter 21 SG: Capitalization and Theory Technique, Lesson 5 Drill Problems SG: Exercises p. 32	VI. Given a problem-solving exercise, the student will be able to figure annuity capitalization using a compound interest table Given the appropriate information, the student will be able to construct and use an interest table.

Objective	Content Outline	Activity Experience	Evaluation
VII. To be able to apply annuity capitalization	VII. Applied Annuity Capitalization A. Inwood B. Hoskold	VII and VIII. Assignment: ARE: Chapter 21, pp. 400-412 Chapter 22, pp. 437-463 SG: Capitalization Theory and Techniques, Lessons 6 and 7 Drill Problems SG: Exercises, pp. 37 and 40	VII. Given the appropriate information, the student will be able to calculate value of annuity income
VIII. To be able to apply residual techniques using annuity concepts	VIII. Residual Techniques with Annuity Concepts A. Land B. Building C. Property D. Other	VIII. See VII.	VIII. Given a problem-solving situation, the student will be able to use a residual technique
IX. To be able to figure interest for leases - contract and economic rent A. To be able to determine leased fee interest B. To be able to determine leasehold interest C. To be able to identify a sandwich lease D. To be able to idenify the types of leases E. To be able to figure lease interest problems	IX. Leases - Contract and Economic Rent A. Leased fee interest B. Leasehold interest C. Sandwich lease D. Types of leases E. Lease interest problems	IX. Assignment: ARE: Chapter 22, pp. 437-463 SG: Capitalization Theory and Technique, Lesson 8 Lease Problems Drill Problems Exercises: SG: Exercises, p. 42	IX. Given a lease interest problem, the student will be able to calculate leasehold and leased fee interest

Objective	Content Outline	Activity Experience	Evaluation
XIII.	XIII. Applied Mortgage-Equity Capitalization (Without Algebra)	XIII. See XII.	XIII.
A. To be able to figure mortgage-equity capitalization using overall rates	A. Overall rates		A. Given a problem situation, the student will be able to figure the overall rate of mortgage-equity capitalization
B. To be able to figure mortgage-equity capitalization using multiple mortgages	B. Multiple mortgages		B. Given a problem situation, the student will be able to figure mortgage-equity capitalization with multiple mortgages
XIV. To be able to use the Elwood method in figuring mortgage-equity capitalization	XIV. Elwood Method of Applied Mortgage-Equity Capitalization	XIV. See XII.	XIV. Given a problem situation, the student will be able to figure mortgage-equity capitalization using the Elwood method
A. To be able to use the Elwood Tables	A. Elwood Tables		
B. To be able to identify symbols and formulas used in the Elwood Tables	B. Symbols and formulas		
C. To be able to figure rate analysis using the Elwood Tables	C. Rate analysis		
D. To be able to figure yield calculations using the Elwood Tables	D. Yield calculations		
E. To be able to do a graphic analysis using the Elwood Tables	E. Graphic analysis		
XV.	XV. Investment Analysis	XV. See XII.	XV. Given the appropriate information, the student will be able to prepare an investment analysis
A. To be able to figure basic rate comparison. on an investment	A. Basic rate comparisons		
B. To be able to figure the yield analysis on an investment	B. Yield analysis		

Objective	Content Outline	Activity Experience	Evaluation
X. A. To be able to determine the advantages/disadvantages of a mortgage loan as an investment B. To be able to figure interest on mortgage loans C. To be able to describe an interest reduction loan D. To be able to describe the meaning of percent paid off	X. The Mortgage Contribution A. Mortgage loans as an investment B. Interest on mortgage loans C. Interest reduction loans D. Percent paid off	X, XI, XII. Assignment: ARE: Chapter 21, pp. 412-426 SG: Captialization Theory and Technique, Lessons 9 and 10 Drill Problems SG: Exercises 52 and 58	X. Problems: Construction of loan amortization schedules
XI. A. To be able to determine the advantages/disadvantages of investing in equities B. To be able to identify the risk characteristics of an equity C. To be able to identify the meaning of leverage D. To be able to figure cash flow rates E. To be able to figure equity yields	XI. The Equity Contribution A. Investing in equities B. Risk characteristics C. Leverage D. Cash flow rates E. Equity yields	XI. See X.	XI. Problems: Solve problems given circumstances of several alternatives
XII. A. To be able to explain the rationale behind mortgage-equity capitalization B. To be able to identify and use the various rate composition methods related to mortgage-equity capitalization	XII. Mortgage - Equity Capitalization A. Rationale of mortgage-equity capitalization B. Rate composition 1. Overall rate 2. Basic capitalization rate 3. Compensating for equity build-up 4. Variations in income projection terms 5. Compensating for depreciation or appreciation	XII, XIII, XIV, XV. Assignment: SG: Capitalization Theory and Technique, Lesson 11 Mortgage-Equity Capitalization: Elwood Method Elwood's Supplement to "A Student's Appraisal Report on an Apartment House" (Handout) SG: Exercises, p. 66 Drill Problems	XII. Problem-solving: Estimating value of mortgaged property

Objective	Content Outline	Activity Experience	Evaluation
C. To be able to make a present worth comparison on an investment	C. Present worth comparisons		
D. To be able to determine the discounted cash flow on an investment	D. Discounted cash flow analysis		
E. To be able to determine the influence of price versus value on an investment	E. Influece of financing on price (Price vs. Value)		
XVI. To be able to determine if an income-producing property should be rehabilitated, modernized or be re-constructed	XVI. Feasibility A. New construction B. Rehabilitation C. Modernization	XVI. Assignment: ARE: Chapter 23 SG: Capitalization Theory and Technique, Lesson 12 SG: Exercises, p. 69	XVI. Given the appropriate information, the student will be able to determine the feasibility of rehabilitating, modernizing, or reconstructing an income-producing property
XVII. To be able to determine which capitalization is appropriate under a given set of circumstances	XVII. Selection of Method and Technique	XVII. Discussion/Presentations Demonstrations of selection of method and technique with student problems and student decisions	XVII. Given the appropriate information, the student will rationalize applicability of selecting appropriate capitalization techniques

BIBLIOGRAPHY

1. Books

Textbook: Textbook Committee. The Appraisal of Real Estate. 6th ed. Chicago: American Institute of Real Estate Appraisers, 1973.

Case Study Appraisal Reports: Apartment Building Properties. Vol. 2. Chicago: American Institute of Real Estate Appraisers.

Case Study Appraisal Reports: Retail Store Properties. Vol. 3. Chicago: American Institute of Real Estate Appraisers.

Course 1-B: Study Guide. Chicago: American Institute of Real Estate Appraisers.

A Student's Appraisal Report on an Apartment House. Chicago: American Institute of Real Estate Appraisers.

2. Periodicals

Periodical selections from The Appraisal Journal should be available from the American Institute of Real Estate Appraisers.

3. Audiovisual Aids

Instructor may wish to prepare transparencies and/or slides for use in lecturing.

4. Other Sources

American Institute of Real Estate Appraisers
155 East Superior Street
Chicago, Illinois 60611

Mr. Jim Bichsel
Executive Vice President
North Carolina Association of REALTORS, Inc.
American Institute of Real Estate Appraisers
North Carolina Chapter 40
P. O. Box 6306
Greensboro, North Carolina 27405
(919) 273-0504

Society of Real Estate Appraisers
7 South Dearbo Street
Chicago, Illinois 60603
(312) 346-7422

North Carolina Real Estate Educational Foundation, Inc.
P. O. Box 6306
Greensboro, North Carolina 27405
(919) 273-0504

BUSINESS 235

Business Management*

DESCRIPTION OF COURSE:

This course is designed to provide information about the major functions of management and the skills that lead to managerial success in business and industry through study of planning, organizing, directing and controlling of activities in an organization.

COURSE HOURS PER WEEK: Class, 3; Laboratory, 0.

QUARTER HOURS CREDIT: 3.

PREREQUISITE: None.

MAJOR DIVISIONS OF COURSE CONTENT:

I. Management Principles

II. Management Theory

III. Functional Approach of Management (Planning, Organizing, Directing, Controlling)

SUGGESTED TEXTBOOKS:

Albers, Henry H., Management: The Basic Concepts. New York: John Wiley & Sons, Inc., 1972.

Drucker, Peter F., Management: Tasks, Responsibilities, Practices. New York: Harper & Row Publishing, 1974.

Drucker, Peter F., The Practice of Management. New York: Harper & Row Publishing, 1954.

Kazmier, Leonard J., Principles of Management: A Program for Self Instruction. 2nd ed. New York: McGraw-Hill Book Co., 1970.

Koontz, Harold and Cyril O'Donnell. Management: A Book of Readings. 3rd ed. New York: McGraw-Hill Book Co., 1972.

Koontz, Harold and Cyril O'Donnell. Principles of Management: An Analysis of Managerial Functions. 5th ed. New York: McGraw-Hill Book Co., 1972.

Sisk, Henry L., Management and Organization. 2nd ed. Cincinnati: South-Western Publishing Co., 1973.

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*This is an abstract of the Business Management syllabus. For a complete copy of the syllabus, write to Program Development Division, Department of Community Colleges, Education Building, Raleigh, North Carolina 27611

CHAPTER III

FACULTY AND STAFF SELECTION

CERTIFICATION

Formal certification of faculty members by the State Board of Education or the Department of Community Colleges is not required. However, the Board and the Department do recommend that faculty members possess knowledge of the nature and role of the Community College System and the comprehensive institution(s), the ability to work with the students that attend the institution(s), and the willingness to innovate and/or be flexible to meet the needs of the student(s) and community. (Refer to State Board Policy Manual for the System of Community Colleges and Technical Institutes, April, 1973, Chapter 2, Section 2.032 and North Carolina Department of Community Colleges Administrative Memorandum No. 1-8, page 8, Section 23 for additional information on faculty members.)

Section 23-e of Administrative Memorandum No. 1-8, page 9 states in part:

> Teachers in the occupational Associate in Applied Science degree curricula should possess a professional Degree of the bachelor's degree level or beyond, with suitable and appropriate work experience in the specialty or subject field assigned . . . Successful work experience is of great importance in all occupational fields and it may be weighed in considering the "equivalent" provisions for educational requirements. Teacher qualifications and work experience allowable to be equated should meet the accreditation standards of professional and/or special accreditation organizations.

The Board and the Department also adhere to Standard Five of the Southern Association of Colleges and Schools which discusses the selection, developing and retaining of a faculty. (Refer to Standards of the

Delegate Assembly of the Commission on Occupational Education Institutions, The Southern Association of Colleges and Schools, December 13, 1972, pp. 5-7.)

REAL ESTATE QUALIFICATIONS

The effectiveness of any program depends largely upon the competence and enthusiasm of the instructional staff. The specialized nature of the real estate industry and program necessitates that its instructors demonstrate special competence based both on proficiency in technical subject matter and on industrial or business experience. Of special concern to the developers of this program was the question "Who will be teaching the real estate and related courses?". Suggestions were made to utilize the services of real estate salesmen and/or brokers, lawyers, mortgage lenders, appraisers, etc. In other words, experience should be considered as a very important factor in the selection of instructors for the real estate program.

Real estate instructors should be reasonably well-informed of the requirements in real estate management practice so that they can use resource people, field examples and illustrations as supporting materials in their courses. The number and qualifications of each faculty member should be sufficient to implement the curriculum design and to accomplish the objective of the program.

The North Carolina Association of REALTORS, Inc. proposes to prepare a suggested guide and a directory of qualified teaching personnel from the real estate industry.

FACULTY WORK LOADS

The teaching load of the real estate instructor should be consistent with the teaching load of other instructors in other curriculum areas in the institution. Factors to be considered in making work load determination should include: (1) class contact hours, (2) number of preparations, (3) student loads, (4) committee assignments, (5) departmental responsibilities, and (6) other special duties. A full time load is usually considered to be from 12 to 25 contact hours per week.

SUMMARY

As indicated earlier, the successful operation of the real estate program or any program within an institution depends to a great extent on the selection, continuous development and satisfactory retention of a faculty member. The faculty member should be able to carry out the objectives of the real estate program and to plan, implement and evaluate learning experiences essential to the program. The faculty member should also be able to counsel students, work with individuals and organizations within the community and through research, continuing education and/or professional organizations be aware of the changes developing in the real estate industry.

CHAPTER IV

FACILITIES, EQUIPMENT AND INSTRUCTIONAL AIDS

FACILITIES AND EQUIPMENT

The community college or technical institute is responsible for providing adequate and attractive facilities which are appropriately located for instruction. The number and size of classrooms will depend upon student enrollment, whether or not the classrooms will be used for students in other programs, curriculum design, methods and media utilized in instruction. Classrooms should be properly lighted, ventilated, heated, air-conditioned and acoustic-proof. Chalkboards and electrical outlets should be located for convenience in audiovisual communication. The classroom should also be equipped with blackout shades or their equivalent for convenience in using audiovisual equipment.

One laboratory-classroom with equipment for demonstration and laboratory practice is needed. The room should be available for student practice at other times other than formal laboratory periods.

Equipment, supplies and audiovisual aids are needed in number and variety to provide the instructor and the student with successful means to attain the objectives of the real estate program through the teaching-learning process. Adequate storage areas should be provided for equipment and teaching aids and if possible should be in close proximity to both the classroom and laboratory.

The real estate program does not require an equipment list. The amount and kind of equipment needed for this program will depend on the instructional process utilized by each instructor in a course and should be obtainable from the audiovisual center.

TEXTBOOKS, REFERENCES AND VISUAL AIDS

Textbooks, references and visual aids for teaching any subject area must be reviewed constantly and updated or supplemented based on new knowledge in the field and the results of research in teaching methods and developing concepts.

The textbooks, references and visual aids for the suggested real estate program have been carefully reviewed and selected by writers of the course outlines. From the lists presented, it should be possible to select materials that are appropriate for each institution - with the understanding that unlisted materials may also be appropriate. From these lists, the instructor should select materials that meet stated teaching objectives, and should carefully preview and study materials before they are used.

Preparation of any course in the curriculum requires the instructor to become familiar with texts and references in the course outlines and with others that may be available. By using these techniques the instructor will then be able to select materials that best meet the particular needs of the student and that will best promote an interesting, high-level technical presentation to the student.

THE LIBRARY

Part of the strength of any program is indicated by the quality of its library. Characteristics of a quality library include qualifications of the librarian; the facilities; the quality, quantity, and relevancy of content; and the staffing and organization. Library facilities should be readily accessible to both full-time and part-time students and faculty not only during instructional hours but for hours beyond regular instructional hours. The library should contain up-to-date books, periodicals, and other reference materials related to the real estate program.

Real estate instructors and students should be involved in selecting materials for the library and/or approving reference material for real estate and related courses.

Student should learn to use the library; therefore, instruction should involve the students in library work, both to develop the habit of using the library as a learning tool and to help foster a professional attitude which regards libraries as a resource for research endeavors.

PROFESSIONAL BOARDS AND ASSOCIATIONS

Real estate boards and associations are an important source of instructional materials and other benefits for faculty members and students. Such associations provide information on publications, reports, new concepts, processes, techniques and equipment available in the real estate field.

These associations can also provide support in investigating the need for a program, in promoting the program, in providing work experience for students and in placement of graduates.

Boards and associations may also supply resource people to speak to classes, to host student groups on field trips or for individual student projects.

Instructors should be encouraged to work closely with these boards and associations and to become active or ad hoc members if possible. Membership will enable them to learn quickly of developments in the industry and to become acquainted with persons in the community who are most active in the field.

Early in their studies, students should become aware of these boards and associations and the resources they offer. They should also be encouraged to join those who offer affiliate memberships.

Some of these boards and organizations include:

American Institute of Real Estate Appraisers
National Association of REALTORS
North Carolina Association of REALTORS, Inc.
North Carolina Real Estate Educational Foundation, Inc.
North Carolina Real Estate Licensing Board
Society of Real Estate Appraisers

CHAPTER V

FEDERAL, STATE AND LOCAL LAWS AND REGULATIONS

Government and Real Estate

In the real estate industry there must be constant concern about the influence of federal, state and local governments on the industry and its operations. This chapter will be devoted to the areas of governmental influence and land use controls pertinent to the real estate industry.

Of the three units of government, the state has the broadest range of planning power relating to land use and development. However, the state usually delegates its powers to the local units of government; and the federal government plays an indirect role in the regulation of land use and development.

Federal Government

"The major mechanism through which the federal government affects land use and development is through its ability to levy taxes and spend them for the 'general welfare'."[1] General welfare includes such projects as land for parks, wilderness lands, interstate highway systems, inland waterways and loans to state and local governments for construction of water and sewage facilities, low-rent public housing or urban renewal. The federal government also provides an important educational function which includes making problems and possible solution of problems known to state and local governments as well as the people at large.[2]

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[1] Phillip P. Green, Jr., An Introduction to the Legal and Governmental Framework of Land-Use Planning. (Chapel Hill: Institute of Government, The University of North Carolina, 1973), p. 2.

[2] Ibid., pp. 2-3.

State Government

As stated earlier, state governments possess more power over land development and use than federal and local government; but, until recently, state governments have traditionally delegated their powers to local governments.

The Federal Housing Act of 1954 required state planning agencies through which funds could be channeled to local governments. Today, this Act is the focal point of land use planning activities for the states.

Public awareness of environmental problems and the possibility of a National Land Use Policy Act have resulted in the states experimenting with direct state regulation of land use and development. Agencies and/or controls have been developed to regulate the development of coastal and mountain areas, state parks, public buildings or institutions, swamplands, major highways, etc. on the state, county and/or city levels.

> Although the ultimate organizational pattern has not yet emerged, it seems likely that land use planning and regulations will eventually involve a combination of state planning agencies, regional planning agencies, and local planning agencies -- with responsibility for refining and making more specific the policies and plans adopted by the units with broader geographical responsibilities.[3]

Local Government

The major responsibility for planning and regulating the use and development of land is with local units of government -- cities and counties. The local units of government generally consist of four organizational elements: (1) governing head, (2) planning board, (3) planning staff, and (4) plan-effectuation agencies. The plan-effectuation agencies of local government are the agencies that primarily affect the real estate industry. These agencies are responsible for administering land use and development plans and functions in the areas of building codes, plumbing codes, electric codes, housing codes, zoning ordinances, board of appeals, board of adjustment, urban renewal, economic development, and housing authorities.[4]

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[3] Ibid., p. 5.

In the following paragraphs some of the governmental controls and the agencies responsible for administering these controls will be described.

ZONING AND LAND SUBDIVISION REGULATIONS AND CONTROLS

General Information

Regulations that are of primary importance to the real estate industry are zoning and land subdivision. Zoning laws regulate and prescribe the areas in a city or county in which industrial, commercial, or residential types of construction will be permitted. Subdivision regulations regulate the manner in which undeveloped property is offered for development of residential, commercial, and industrial purposes.

Zoning regulations were established to protect the public health, safety, morals and general welfare of our society. Zoning regulations are often referred to as "use, height and area regulations". Through zoning, municipalities can regulate the _use_ of land and buildings, _height_ of buildings and other structures, _minimum_ lot sizes, _portion_ of lot that may be built upon and _density_ of populations. It is important that persons in the real estate industry be aware of the types of zoning district; uniformity requirements; the components that comprise residential, business and industrial districts and the height and area regulations pertaining to real property.

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[4] Ibid., pp. 7-11.

Land subdivision regulations were established to prevent premature subdivision, add to the enforcement of zoning, building and health laws, to guide the development of cities and counties, and to make land more usable. Through land subdivision regulations, municipalities can design requirements for and require improvements for lots, blocks, streets, utilities, signs, trees, throughfares, parks, school districts, etc.

County Zoning and Land Subdivision

North Carolina General Statute 153-A, Article 18, deals with the county's power to zone and to have land subdivision controls. The regulations in this statute are approved and enforced by the County Board of Commissions with assistance from the County Planning and Inspection Division.[5]

City Zoning and Land Subdivision

North Carolina General Statute Chapter 160-A, Article 9, deals with the city's power to zone and to have land subdivision controls. The Planning and Inspections Division of the City is the regulating and control body responsible for zoning ordinances within corporate limits or one mile beyond these limits. All state buildings and buildings of political subdivisions located within the city or one mile beyond are subject to the zoning and land subdivision regulations of that city.[6]

Presently, all cities are required to have a comprehensive plan for zoning, and counties may or may not have zoning or may have partial zoning within the county. In the future, areas in the state will probably become more aware of the need for zoning and land regulation controls in order to compensate for movement from urban to suburban areas and to control growth.[7]

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[5] Summary of statements by Deputy Attorney General James F. Bullock, personal interview, May 22, 1974.

[6] Ibid.

CONSTRUCTION AND HOUSING CODE ADMINISTRATION

North Carolina General Statute Chapter 143, Article 9, is the statute regulating construction and housing. This statute is generally referred to as the Building Code and is one of the few regulations or laws that has statewide jurisdiction. However, with the Building Code Council's approval the Code may be modified by county or city governments; and any changes or amendments in the Code are made by the Council. The North Carolina Department of Insurance - Engineering Division is responsible for the overall administration of the Building Code, and the Code is enforced through local county or city inspection departments. Some counties and cities do not have local inspection departments; but the Code is still applicable in these areas.

Through building regulations, North Carolina municipalities prescribe the standard for:

1. building construction
2. electrical installations
3. plumbing installations
4. home occupancy (minimum standards)

The municipalities also prescribe safety standards for eliminating fire hazards and regulate and prescribe standards for water and sewage systems.

The Building Code Council is presently considering amendments for life safety (fire protection code for high-rise buildings) and energy conservation.[8]

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[7] Ibid.

[8] Summary of statements by State Construction Officer John Emerson, personal interview, May 22, 1974.

ENVIRONMENTAL CONTROLS

The North Carolina environmental laws that would be of interest to the real estate industry are contained in General Statute, Chapter 143, Article 21, 21-A, and 21-B, Board of Water and Air Resources and Chapter 113-A, Conservation and Development. Since the real estate industry is primarily in the business of acquiring and selling of property, these laws only indirectly affect the industry. Environmental controls become an issue only after the property has been purchased; i.e., development of the property.[9]

SUMMARY

There are many laws and regulations of which employees in the real estate industry must be aware, but most importantly they should check with local agencies when acquiring, selling or developing real property. State and federal government influence is important, but primary real property control and enforcement is the responsibility of local government.

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[9] Summary of statements by Assistant Attorney General Ted Farfaglia, Environmental Control Division, personal interview, May 22, 1974.

CHAPTER VI

REAL ESTATE DIRECTORY

The North Carolina Association of REALTORS, Inc. and the North Carolina Real Estate Educational Foundation assisted in preparing this directory of qualified personnel from real estate or related industries to assist with real estate programs. Section A is a listing of names, addresses and telephone numbers of prospective instructors; Section B, persons to call or write in the local area for assistance. Listings are identified by local city and/or county Board of REALTORS. Symbols are used to identify advisory committee members (*); advisory committee members and writers of course outlines (+); and instructors or past instructors in the North Carolina REALTOR's Institute (°).

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BIBLIOGRAPHY

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4. Personal Correspondence

Central Piedmont Community College. Personal correspondence between Lois Dixon, Chairman, Business Administration Department, and the writer. February 19, 1974.

APPENDIX

A. Participants - Real Estate Curriculum Advisory Committee

B. Requirements for Licensing Examination

C. Employment Opportunities

D. Questionnaire/Interview Schedule

APPENDIX A

REAL ESTATE CURRICULUM ADVISORY COMMITTEE

Richard Avery	REALTOR, Greensboro
C. B. Beasley	REALTOR, New Bern
L. David Berryhill	REALTOR, Charlotte
Jim Bichsel	Executive Vice President North Carolina Association of REALTORS, Inc. Greensboro
William A. Bullard	North Carolina National Bank Mortgage Corp. Raleigh
Mossette L. Butler	REALTOR, Clinton
A. P. Carlton	REALTOR, Greensboro
O. J. Clontz	REALTOR, Winston-Salem
Leonard A. Craver	REALTOR, Lexington
Jerry D. Daeke	REALTOR, Banner Elk
Phillip W. Ford	Stockton, White and Co. Raleigh
David Godwin	REALTOR, Fayetteville
Kenneth H. Kerr	First Federal Savings and Loan Assoc. Raleigh
Thomas R. Lawing	President, North Carolina Association of REALTORS, Inc. Charlotte
Jack McMilian	Community Planning Association, Inc. Raleigh
Hal McNeely	McNeely Associates Raleigh
B. C. Parker	REALTOR, Burlington

Rick Pindell	REALTOR, Raleigh
Dr. Joseph Schweidler	Secretary-Treasurer North Carolina Real Estate Licensing Raleigh
Herb Toms	AMI Title Insurance Company Raleigh
Gene White	North Carolina Department of Administration Raleigh
Dr. Eugene Watson	Professor, University of North Carolina Chapel Hill

COMMUNITY COLLEGES AND TECHNICAL INSTITUTES

Catawba Valley Technical Institute Ervin Lineberger J. Ray Hall Dan Ballard	Hickory
Central Carolina Technical Institute Avron Upchurch Don Cameron	Sanford
Central Piedmont Community College Lois Dixon Dr. Vaud Travis	Charlotte
Forsyth Technical Institute Marvin Allen	Winston-Salem
Fayetteville Technical Institute Bill Cameron	Fayetteville
Department of Community Colleges Roger Worthington Dr. R. Jean Overton	Raleigh

APPENDIX B

REQUIREMENTS FOR LICENSING EXAMINATION

REAL ESTATE COURSE

I. LICENSING REGULATION

N. C. Real Estate Licensing Law
Rules & Regulations of Licensing Board

II. GLOSSARY

Real estate definitions, words and phrases

III. REAL ESTATE OWNERSHIP

Types of property (real, personal, fixtures)
Titles (estates)
Transfer of title (deeds)
Title insurance
Property descriptions (measurements, metes and bounds, plats)
The Condominium
Zoning

IV. REAL ESTATE CONTRACTS

Contracts in general
Statute of frauds
Listing agreements
Offers to purchase (escrow deposits)
Options
Land installment contracts
Leases

V. LAW OF AGENCY

Principles of agency
Brokers and salesmen as agents
Duties of agent to principal
Duties of principal to agent
Law against discrimination
Real estate management

VI. REAL ESTATE FINANCING

Money market
Government role in financing (FHA, VA)
Mortgages / Deeds of trust
Appraising and valuation

VII. REAL ESTATE CLOSING

The closing in general
Closing documents
Prorations, taxes, insurance
Liens and encumbrances
Hypothetical real estate closing
Closing statements

VIII. REAL ESTATE MATHEMATICS

Prorations
Tax rate
Area
Commission
Capitalization
Discount
Depreciation
Interest
Transfer tax

APPENDIX C

EMPLOYMENT OPPORTUNITIES IN REAL ESTATE

The employment opportunities in real estate are based on job descriptions in the Dictionary of Occupational Titles and the Occupational Outlook Handbook.

The jobs described are entry-level and advanced employment opportunities which may require more skill, experience, and/or education.

Credit Analyst (D.O.T. 191.268)

The credit analyst is able to analyze credit data to estimate the degree of risk involved in extending credit or lending money to firms or individuals, and to prepare reports of findings. Duties include: contacts with trade and credit associations, banks, salesmen and others to obtain credit information, study of economic trends in a firm's industry or branch of industry to predict probable success of a new customer, and evaluates, reports and offers suggestions based on the investigation.

Credit and Collection Manager (D.O.T. 168.168)

The credit and collection manager is able to manage the credit and collection department of a commercial house, department store, hotel or similar establishment. The duties of the credit and collection manager may include: investigation of the financial standing and reputation of prospective customers applying for credit, review and evaluation of a credit investigation to determine rejection of a credit application or establishment of credit limitations on a customer account, and supervision of collecting bad checks or accounts.

Credit Investigator Trainee (D.O.T. 249.638)

The credit investigator trainee prepares for advanced job opportunity in the area of credit investigation of individuals, or business establishments who apply for credit, insurance or jobs. Some of the duties include: reviewing customer inquiries, interviewing applicants, contacting trade and credit associations, banks, employers, and personal references to verify data, examining public or court records, evaluating and reporting results of credit investigation.

Land Developer

The land developer is able to develop comprehensive plans and programs for the growth and overall utilization of a community. The land developer is concerned with traffic problems, parks and recreation facilities, business facilities, transportation and parking facilities. The land developer may specialize in an area such as physical design, survey and research or community relations work.

Mortgage (Lender) Loan Officer (D.O.T. 186.288)

The mortgage loan officer is able to examine and evaluate applications for lines of credit, installment credit or commercial, real estate, and consumer loans, and authorizes or recommends their approval.

Assistant Office Manager Trainee (D.O.T. 169.168)

The assistant office manager trainee through on-the-job training prepares for the supervision and coordination activities of personnel in centralized clerical functions of an organization. Duties may include: organizing clerical and secretarial services, maintaining efficient flow of work, directing supervisors and department operations, and coordination of activities with other departments.

Office Manager (D.O.T. 169.168)

The office manager supervises and coordinates the activities of personnel in the centralized clerical functions of an organization. Duties may include: organizing clerical and secretarial services, maintaining efficient flow of work, directing supervisors and department operations, and coordination of activities with other departments.

Property Manager (D.O.T. 186.168)

The property manager is able to manage residential, commercial or industrial investment properties for clients. Duties of the property manager include: arranging for maintenance, renting, leasing, and record-keeping; collecting rents; preparing reports such as disbursement on mortgage loans; taxes and insurance premiums; and counseling clients concerning financing, purchasing, and selling property.

Real Estate Appraiser (D.O.T. 191.287)

A real estate appraiser appraises improved or unimproved real property to determine its value for purchase, sale, investment, mortgage or loan purposes. The appraiser's duties include: inspecting property for construction, condition and functional design, computing depreciation and reproduction costs, consideration of location and trends or impending changes that could influence future value of property, compiling data and estimating value of property and submitting reports to corroborate value established. Under the North Carolina statutes a real estate appraiser need not be a licensed real estate broker or salesman.

Real Estate Broker (D.O.T. 250.358)

The real estate broker is an independent businessman who not only sells real estate but sometimes may rent and manage properties, make appraisals, arrange for loans to finance purchases, and develop new building projects. Brokers manage their offices, advertise properties and handle other business operations. (Refer also to Real Estate Salesman.) The broker may be called a real estate agent; or if a member of the National Association of REALTORS, REALTOR.

Real Estate Counselor

A real estate counselor is one who is qualified to provide competent, disinterested and independent real estate guidance for individuals, estates, government officials, municipalities and institutions on a fee or retainer basis, rather than a commission.[1]

Real Estate Salesman (D.O.T. 250.358)

A real estate salesman is employed by a broker to show and sell real estate. The salesman may rent, buy and sell property for clients on a commission basis. The duties of the real estate salesman include: studying property listings; reviewing trade journals; interviewing prospective clients; accompanying prospective clients to property sites; drawing up real estate contracts.

Sales Representative Trainee (D.O.T. 250.158) [Sales Superintendent]

The sales representative trainee works on-the-job to prepare for the sales promotion of custom-built homes in order to secure clients for contractors. Some of the duties include: interviewing of prospective clients, reviewing plans and specifications with client and architect, recommendation of construction features, answering questions related to construction in process, locating and appraising underdeveloped areas for building sites and planning and organizing sales techniques.

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[1] National Association of Real Estate Boards. "Superior Equipment of the REALTOR," p. 7.

APPENDIX D

QUESTIONNAIRE/INTERVIEW SCHEDULE

Before organizing and planning for a two-year program in real estate, a survey of local REALTORS and other business persons and prospective students should be made to determine the need for the program. The survey should determine the immediate needs in the real estate industry as well as the future needs. Suggested formats for questionnaires and/or interview schedules are shown on the following pages.

REAL ESTATE INSTRUCTOR SURVEY

In what areas have you taught in any facet of real estate or related courses?

Name ______________________________

Company ______________________________

What ______________________________

When ______________________________

Where ______________________________

Preference of hours taught:

One night 3 hours per week ____________________

Two nights 1½ hours per week ____________________

Four hours to be decided per week ____________________

REAL ESTATE CURRICULUM SURVEY

Survey for the need for Real Estate Curriculum

How many people with your firm are connected in any manner in the following areas?

1. Real Estate ____________________
2. Brokerage ____________________
3. Sales ____________________
4. Appraisers ____________________
5. Property Management ____________________
6. Investments ____________________
7. Commercial ____________________
8. Construction ____________________
9. Insurance ____________________
10. Others ____________________

Signed ________________________

Survey by:
Committee on Proposed Associate in
Applied Science Degree
Real Estate Curriculum
Forsyth Technical Institute
Winston-Salem, North Carolina 27103

QUESTIONNAIRE FOR PERSONS ENROLLED IN
FUNDAMENTALS OF REAL ESTATE
LICENSING COURSE

1. What was your motive in taking the Real Estate Course? (Circle one)

a. Personal knowledge 20 c. Full-time employment 9
b. Part-time employment 8 d. Other 3
DID NOT ANSWER 1

2. Did you take the exam for the salesman's license?

YES 10 NO 30 DID NOT ANSWER 0

3. Did you take the exam for the broker's license?
YES 13 NO 26 DID NOT ANSWER 1

4. Are you presently employed part-time or full-time with a real estate agency?
YES 9 NO 30 DID NOT ANSWER 1

5. Did the real estate course at CCTI adequately prepare you for employment?
YES 12 NO 23 DID NOT ANSWER 5

6. What additional courses do you feel would have been beneficial to you? (Please check)
a. Real Estate Appraisal 27 e. Advertising 13
b. Land Resources 9 f. Business Law 20
c. Real Estate Finance 28 g. Real Estate Trends 19
d. Salesmanship 16 h. Economics 14

7. Would you consider enrolling in additional courses in an evening program if a real estate curriculum were offered?

YES 28 NO 11 DID NOT ANSWER 1

UNIVERSITY OF CALIF.
LOS ANGELES

DEC 10

CLEARINGHOUSE FOR
JUNIOR COLLEGES

105 questionnaires mailed
40 questionnaires returned
38% returned

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